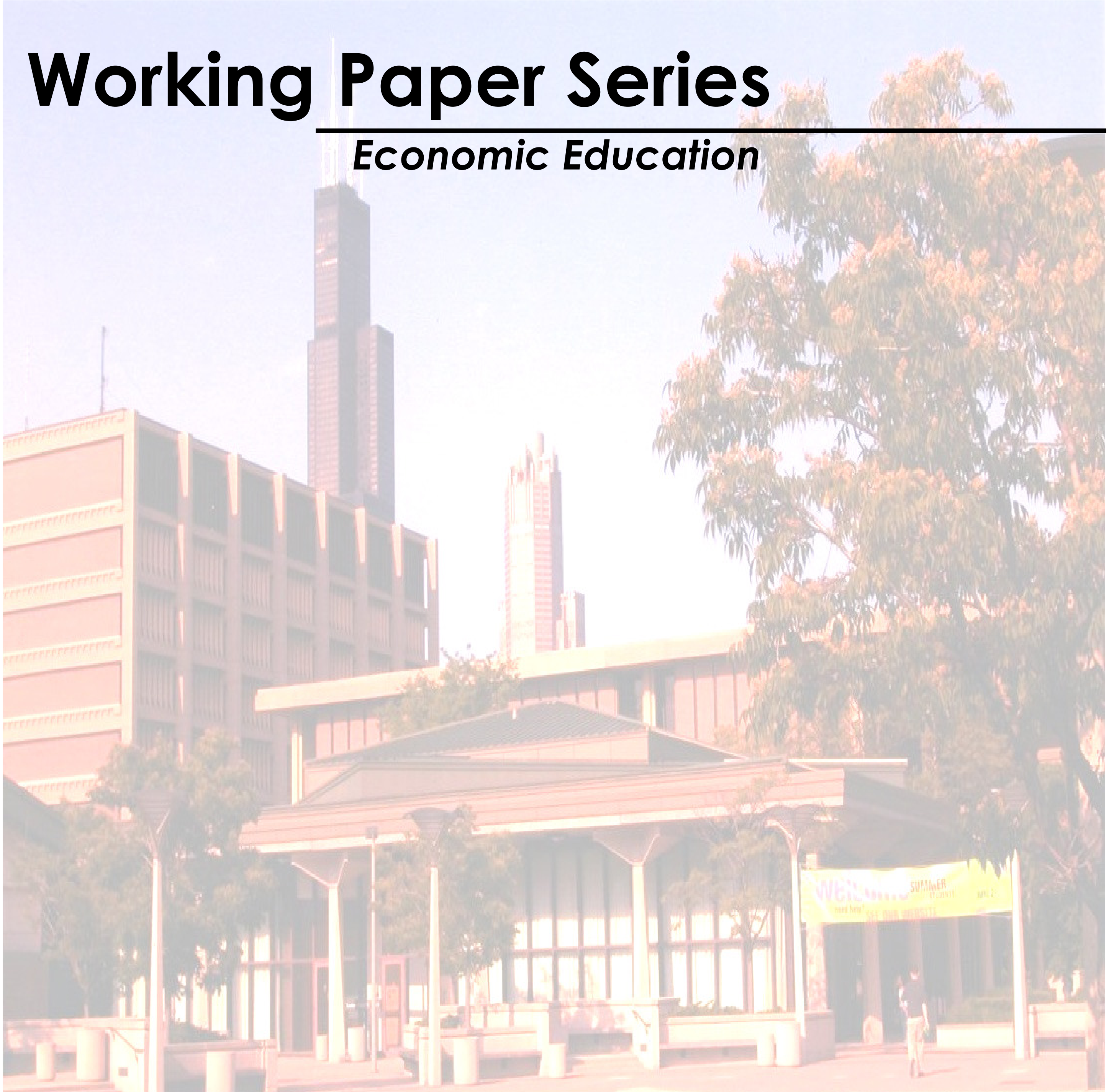
Working Paper Series

Economic Education



No. 014

Parental Influence – It Matters for Money Matters

Helen Roberts, Clinical Assistant Professor
University of Illinois at Chicago

Jennifer Van Dyke, Graduate Student
University of Illinois at Chicago

Center for Economic Education

Department of Economics (m/c144)
University of Illinois at Chicago
601 South Morgan Street
Chicago, Illinois 60607
Tel 312-996-2684
Fax 312-996-3344
http://cee.econ.uic.edu

Parental Influence – It Matters for Money Matters

Helen Roberts, University of Illinois at Chicago
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

Bailey, W. C., Sorhaindo, B., & Garman, E. T. (2002). The educational desires of financially distressed credit counseling clients. *Proceedings of the Association for Financial Counseling and Planning Education*, 114-20.

Eilliehausen, G., Lundquist, E. C., & Staten, M. E. (2003). The impact of credit counseling on subsequent borrower credit usage and payment behavior. Credit Research Center, Georgetown University, working paper.

Garman, E. T., Kim, J., Kratzer, C. Y., Brunson, B. H., & Joo, S. (1999). Workplace financial education improves personal financial wellness. *Financial Counseling and Planning*, 10(1), 79-88.

Garman, E. T., Leech, I. E., Grable, J. E. (1996). The negative impact of employee poor personal financial behaviors on employers. *Financial Counseling and Planning*, 7, 157-168.

Garman, E. T., Sorhaindo, B., Bailey, W., Kim, J., & Xiao, J. J. (2004). Financially distressed credit counseling clients and the InCharge financial distress scale. *2004 Proceedings of Eastern Family Economics and Resource Management Association*, 71-81.

Hilgert, M. A., & Hogarth, J. M. (2003). Household financial management: The connection between knowledge and behavior. *Federal Reserve Bulletin*, 89(7), 309-22.

Hogarth, J. M., Beverly, S. G., Hilgert, M. (2003). Patterns of financial behaviors: Implications for community educators and policy makers. *2003 Federal Reserve System Community Affairs Research Conference.*

Hogarth, J. M., & Hilgert, M. A. (2002). Financial knowledge, experience, and learning preferences: Preliminary results from a new survey on financial literacy. *Consumer Interests Annual,* 48.

Joo, S., & Thomas, E. T. (1998). The potential effects of workplace financial education based on the relationship between personal financial wellness and worker job productivity. *Personal Finances and Worker Productivity*, 2(1), 163-74.

Kennickell, A. B., Starr-McCluer, M., Sunden, A. E. (1997). Saving and financial planning: Some findings from a focus group. *Financial Counseling and Planning,* 8(1), 1-8.

Kratzer, C. Y., Brunson, B. H., Garman, E. T., Kim, J., & Joo, S. (1998). Financial education in the workplace: Results of a research study. *Journal of Compensation and Benefits*, 14(3), 24-7.

O'Neill, B., & Xiao, J. J. (2003). Financial fitness quiz: A tool for analyzing financial behavior. *Consumer Interests Annual*, 49.

Porter, N. M., & Garman, T. (1993). Testing a conceptual model of financial well-being. *Financial Counseling and Planning*, 4, 135-65.

Revised draft report from the National Family Consumer Sciences POW Impact Committee. (June 2003). http://www.federalreserve.gov/pubs/bulletin/2003/0703lead.pdf.

Strauss, A., & Corbin, J. (1990). Basics of qualitative research: Grounded theory procedures and techniques. Newbury Park, CA: Sage Publications, Inc.

References for Financial Behaviors Study

Acock, Alan and Vern L. Bengtson. (1978). On the Relative Influence of Mothers and Fathers: A Covariance Analysis of Political and Religious Socialization. *Journal of Marriage and the Family*, 40: 519-530.

Acock, Alan and Vern L. Bengtson. (1980). Socialization and Attribution Process: Actual vs. Perceived Similarity among Parents and Youth. *Journal of Marriage and the Family*, 40: 501-515.

American Savings Education Council. (1999). *Youth and Money 1999.* Washington DC: Author. Retrieved on May 20, 2004 at: http://www.asec.org/youthsurvey.pdf.

Boyce, Laurie and Sharon M. Danes. (1999). Evaluation of the NEFE High School Financial Planning Program, 1997-1998. Report of the study sponsored by the National Endowment for Financial Eduation. Retrieved at: www.nefe.org/pages/educational.html.

Carlson, L., & Grossbart, S. (1988). Parental style and consumer socialization of children. *Journal of Consumer Research*, 15(1), 77-94.

Carlson, Les, Ann Walsh, Russell N. Laczniak and Sanford Grossbart. (1994). Family Communication Patterns and Marketplace Motivations, Attitudes, and Behaviors of Children and Mothers. *The Journal of Consumer Affairs*, 28(1): 25-53.

Chase, M. W., Leech, I., Hayhoe, C. R., & O'Neill, B. (2004). *Strategies to Enhance Young Adults' Financial Decision Making*. Proceedings of Eastern Family Economics and Resource Management Association.

Chen, H., & Volpe, R. P. (1998). An analysis of personal financial literacy among college students. *Financial Services Review,* 7(2), 107-128.

Childers, T. L., & Ashkay, R. R. (1992). The influence of familial and peer-based reference groups on consumer decisions. *Journal of Consumer Research*, 19(2), 198-211.

Cotte, June and Stacy L. Wood. (2004). Families and Innovative Consumer Behavior: A Triadic Analysis of Sibling and Parental Influence. *Journal of Consumer Research*, 31(June): 78-86.

Danes, S.M., & Dunrud, T. (2002). Children and money series: Teaching children money habits for life. University of Minnesota Extension Service, FO-06116-GO: St. Paul, MN. Retrieved on September 10, 2004 at: http://www.extension.umn.edu/distribution/youthdevelopment/DA6116.html.

Danes, S. M., & Hira, T. K. (1987). Money Management Knowledge of College Students. *The Journal of Student Financial Aid*, 17(1), 4-16.

Dilworth, J. L., Chenoweth, L. C., Engelbrecht, J. (2000). A Qualitative Study of the Money Goals of College Students and Their Parents. *Financial Counseling and Planning,* 11(2), 33-42.

Eskilson, A., & Wiley, M. G. (1999). Solving for the X: Aspirations and expectations of college students. *Journal of Youth and Adolescence*, 28, 51-70.

Flouri, Eirini. (2004). Exploring the Relationship between Mothers' and Fathers' Parenting Practices and Children's Materialist Values. *Journal of Economic Psychology*, 25: 743-752.

Hill, Reuben. (1970). *Family Development in Three Generations*, Cambridge, MA: Schenkman.

Hogarth, Jeanne M., Sandra G. Beverly, and Marianne Hilgert. 2003. Patterns of Financial Behaviors: Implications for Community Educators and Policy Makers. *2003 Federal Reserve System Community Affairs Research Conference.* Retrieved on June 15, 2004 at: http://www.federalreserve.gov/communityaffairs/national/CA_Conf_SusCommDev/pdf/hogarthjeanne.pdf.

John, Deborah Roedder. (1999). Consumer Socialization of Children: A Retrospective Look at Twenty-Five Years of Research. *Journal of Consumer Research*, 26 (December): 183-213.

Kotlikoff, L. J., & B. D. Bernheim. (2001). Household financial planning and financial literacy: The need for new tools. In *Essays on Saving, Bequests, Altruism, and Life-cycle Planning*. Cambridge, Mass.: MIT Press.

Lyons, A. C. (2003). The credit usage and financial education needs of Midwest college students. Report to Midwest College Administrators, University of Illinois at Urbana-Champaign, 62 pp.

Lyons, A. C. (2004a). A profile of financially at-risk college students. *Journal of Consumer Affairs*, 38(2), 56-80.

Lyons, A. C. (2004b). A qualitative study on providing credit education to college students: Perspectives from the experts. *The Journal of Consumer Education*, forthcoming.

Lyons, A. C., & Hunt, J. L. (2003). The credit practices and financial education needs of community college students. *Financial Counseling and Planning Journal*, 14, 63-74.

Lyons, A. C., Hildebrand, P., & Hunt, J. L. Parent Smarts: A credit education resource for students and parents. *Proceedings of the Eastern Family Economics and Resource Management Association*, February 2004.

Markovich, C. A., & DeVaney, S. A. (1997). College seniors' personal finance knowledge and practices. *Journal of Family and Consumer Sciences*, Fall, 61-65.

Miller, Brent. (1975). Intergenerational Patterns of Consumer Behavior. *Advances in Consumer Research*, 2: 93-101.

Moore-Shay, Elizabeth S. and Britto M. Berchmans. (1996). The Role of the Family Environment in the Development of Shared Consumption Values:, An Intergenerational Study. *Advances in Consumer Research*, 23: 484-490.

Moore-Shay, Elizabeth S. and Richard J. Lutz. (1988). Intergenerational Influences in the Formation of Consumer Attitudes and Beliefs about the Marketplace: Mothers and Daughters, *Advances in Consumer Research*, 15: 461-467.

Moschis, George P., Roy L. Moore, and Ruth B. Smith (1984). The Impact of Family Communication on Adolescent Consumer Socialization. *Advances in Consumer Research*, 11: 314-319.

Moschis, George P. (1985). The Role of Family Communication in Consumer Socialization of Children and Adolescents. *Journal of Consumer Research*, 11 (March): 898-913.

National Endowment for Financial Education (NEFE). (2002). Financial literacy in America: Individual choices, national consequences. *The State of Financial Literacy in America—Evolutions and Revolutions*. NEFE Symposium, Denver, CO. Retrieved on July 1, 2004 at: http://www.nefe.org/pages/whitepaper2002symposium.html.

Norvilitis, J. M., & Maria, P. S. (2002). Credit card debt on college campuses: Causes, consequences and solutions. *College Student Journal*, 36(3), 357-364.

Norvilitis, J. M., Szablicki, P. B., & Wilson, S. D. (2003). Factors influencing levels of credit-card debt in college students. *Journal of Applied Social Psychology*, 33(5), 935-947.

Palmer, T. S., Pinto, M. B., & Parente, D. H. (2001). College students' credit card debt and the role of parental involvement: Implications for public policy. *Journal of Public Policy & Marketing,* 20(1), 105-113.

Scattergood, P., Dash, K., Epstein, J., & Adler, M. (1998). Applying effective strategies to prevent or reduce substance abuse, violence, and disruptive behavior among youth. Newton, MA: Education Development Center, Inc.

Schorr, A. (2001). *Understanding money in everyday family life: A qualitative study of parents with kids age 7 to 13*. Kid Capital LLC and Doblin, pp. 20. Retrieved on September 10, 2004 at: http://www.doblin.com/new/research.pdf.

Stanley, T. J., & Danko, W. D. (1996). *The Millionaire Next Door: The Surprising Secrets of America's Wealthy*. New York, NY: Simon & Schuster, Inc.

Steelman, L. C., & Powell, B. (1993). Doing the right thing: Race and parental locus of responsibility for funding college. *Sociology of Education*, 66(4), 223-244.

Varcoe, K. P., Peterson, S., Garrett, C., Martin, A., René, P., & Costello, C. (2001). What teens want to know about financial management. *Journal of Family and Consumer Sciences*, 93(2), 30-34.

Volpe, R. P., Chen, H., & Pavlicko, J. J. (1996). Personal investment literacy among college students: A survey. *Financial Practice and Education*, 6(2), 86-94.

Wang, P. (1993). Helping your kids become financially independent. *Money*, 22, 72-78.

Watson, John J. (2003). The Relationship of Materialism to Spending Tendencies, Saving, and Debt. *Journal of Economic Psychology*, 24: 723-739.

Whitbeck, Les B. and Viktor Gecas. (1988). Value Attributions and Value Transmission between Parents and Children. *Journal of Marriage and the Family*, 50(2): 829-840.

Appendix A: Chronological Summary

Date	Activity
Apr. 4, 2005	First e-mail sent to solicit sample for financial fitness survey (275 responses – 4.6%)
Apr. 12, 2005	First e-mail sent to solicit names for focus groups
Apr. 15, 2005	Confirmation e-mails sent to students participating in focus groups
Apr. 18, 2005	Reminder e-mails sent to students participating in focus groups
Apr. 19, 2005	First 2 focus groups held (4 students at noon and 5 students at 4 p.m.)
Apr. 21, 2005	Final 2 focus groups held (6 students at noon and 2 students at 4 p.m.)

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.

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

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.

Appendix D. Focus Group Invitation

Subject: Sample UIC Focus Group Invite
From: "Van Dyke, Jennifer" <jvandy2@uic.edu>
To: jvandy2@uic.edu
Cc: hroberts@uic.edu

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

Appendix E. Sample confirmation e-mail for students who responded to focus group invitation

Subject: Discussion Group Confirmation - 4/19
From: "Van Dyke, Jennifer" <jvandy2@uic.edu>
To: jvandy2@uic.edu
Cc: 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

Appendix F. Reminder e-mail for focus groups

Subject: Discussion Group Reminder - 4/19
From: "Van Dyke, Jennifer" <jvandy2@uic.edu>
To: jvandy2@uic.edu
Cc: 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, you 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)

	YEAR	FT or PT	GPA	GENDER	ETHNICITY	CREDIT CARD	PARENTS' MARITAL STATUS
1.	Freshman	FT	2.0-3.49	F	African-Am/Black	Yes	Married
2.	Junior	FT	2.0-3.49	F	White (non-Hispanic)	Yes	Divorced
3.	Freshman	FT	<2.0	F	Hispanic	Yes	Separated
4.	Sophomore	FT	<2.0	F	White (non-Hispanic)	Yes	Married

Low Scores: Group 2 (April 21, 2005)

	YEAR	FT or PT	GPA	GENDER	ETHNICITY	CREDIT CARD	PARENTS' MARITAL STATUS
1.	Junior	FT	<2.0	F	Asian	Yes	Married
2.	Freshman	FT	>3.5	F	White and Black	Yes	Divorced

High Scores: Group 1 (April 19, 2005)

	YEAR	FT or PT	GPA	GENDER	ETHNICITY	CREDIT CARD	PARENTS' MARITAL STATUS
1.	Freshman	FT	2.0-3.49	F	Asian	No	Married
2.	Freshman	FT	2.0-3.49	F	White (non-Hispanic)	No	Married
3.	Freshman	FT	2.0-3.49	F	White (non-Hispanic)	No	Married
4.	Freshman	FT	Don't know	F	Brazilian-Japanese	No	Married
5.	Sophomore	FT	<2.0	F	Asian	No	Married

High Scores: Group 2 (April 21, 2005)

	YEAR	FT or PT	GPA	GENDER	ETHNICITY	CREDIT CARD	PARENTS' MARITAL STATUS
1.	Freshman	FT	>3.5	F	White (non-Hispanic)	No	Divorced
2.	Freshman	FT	<2.0	F	White (non-Hispanic)	No	Married
3.	Freshman	FT	2.0-3.49	M	Asian	No	Married
4.	Freshman	FT	2.0-3.49	M	Asian	No	Married
5.	Junior	FT	<2.0	F	White (non-Hispanic)	No	Divorced
6.	Freshman	FT	Don't know	M	African Am/Black	Yes	Separated

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 ius 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."