COLLEGE ON CREDIT: HOW COLLEGE STUDENTS USE CREDIT CARDS TO FINANCE THEIR COLLEGE EDUCATION

by

JENNIFER H. NABORS

(Under the Direction of Libby V. Morris)

ABSTRACT

This ethnographic interview study sought to examine how undergraduate college students aged 18-21 years old (diverse in gender, race, social class, chosen field of study and length of time in school) use credit cards to bridge the gap between their financial resources and their educational costs. The researcher used interviews as the primary means of data collection with observation as the secondary method. Findings show that the students view college as an investment in their future. The students' means of financial support vary though students without parental support are more financially vulnerable. The types of purchase the students made with credit depended largely on their means of financial support. Students who were supported by their parents had to abide by their parents' rules for using credit. The study revealed a need for more financial education among the students regardless of financial support or credit use.

INDEX WORDS: College students, credit cards, financial aid, debt

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JENNIFER H. NABORS

B.S.B.A., Auburn University, 2000

MPA, Auburn University, 2005

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JENNIFER H. NABORS

Major Professor: Libby V. Morris

Committee: James C. Hearn
Erik C. Ness

Electronic Version Approved:

Maureen Grasso
Dean of the Graduate School
The University of Georgia
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DEDICATION

To my husband for his love and support

To my mother for her encouragement

To my late grandmother for always believing in me

To other friends and family too numerous to mention but are all a blessing in my life

Above all, to God be the glory

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CHAPTER ONE

INTRODUCTION

When undergraduate students face a gap between their financial resources and college expenses credit cards are an easy fix for quick financing. For many college students getting a credit card is easy despite federal regulations that sought to end some of the aggressive marketing on college campuses (Calefati, 2010; Protess & Neumann, 2010; Lederman, 2010; Ensign, 2010). A *New York Times* article (Glater, 2008) revealed that many American universities make highly profitable deals with credit card companies that allow card representatives easy access to its students on campus or through mailing lists. The University of Tennessee's seven-year deal with Chase Bank for $16.5 million giving exclusive marketing rights is just one of many money-making deals for a university that brings credit cards on campus and a new revenue stream for the institution (Manning, 2000; Brooks, 2010). The University of Georgia has made over $12.5 million from its own deal with Bank of America since 1999 (Burnet, 2010). Both schools made the top 10 list of agreements with the largest payments made by credit card companies in 2010 according to CreditCards.com (Merzer, 2011). Topping this list was Penn State Alumni Association's contract with Bank of America unit FIA Card Services earning over $4.2 million in fees paid. This agreement also gave former head football coach Joe Paterno $100,000 for signing 100 footballs and 25 helmets for the bank's use each year starting in 2009. In return Bank of America had the right to at least three direct mailings and three email campaigns marketing to the association's contact list, sponsorship rights on association events, and prized seating at sporting events. The list of top ten payments credit card companies paid out to colleges in 2010 is listed in Table 1. Out of these ten institutions all had agreements with FIA Card Services with the exception of the University of Tennessee and Duke Alumni Association, Inc.

Table 1: Largest Payments to Institutions from Credit Card Companies in 2010

School	Payments in 2010
Penn State Alumni Association	$4,292,488
Ex-Students Association of the University of Texas	2,364,754
Alumni Association of the University of Michigan and the Regents of the University of Michigan	1,600,000
University of Southern California	1,508,625
University of Tennessee	1,428,571
Duke Alumni Association	1,375,000
California Alumni Association and the Regents of Southern California	1,353,225
Arizona State University Alumni Association	1,349,084
Arch Foundation for the University of Georgia, Inc.	1,307,086
General Alumni Association of the University of North Carolina at Chapel Hill	1,250,000

(Merzer, 2011)

During an economic downturn such as America currently faces, credit cards could be used to fill the gap between traditional financial aid and unmet need. Researchers Robert Manning and Ray Kirshak estimated that between 75% and 85% of college undergraduates own at least one credit card. Another study reported that in 2005, 24% of undergraduates used credit cards to pay tuition while around 71% used them to purchase textbooks (Long & Riley, 2007). Though undergraduates are increasingly credit and loan consumers, previous literature indicates that students and their families typically lack the knowledge about financial aid and college costs that they need to make sound financial decisions (Ikenberry & Hartle, 1998). These decisions could prove very costly when, for example, a student charges more than he can comfortably repay and begins a cycle of carrying credit card debt through his college years and beyond when student loans, mortgages, car loans, and other priorities begin to take precedence (Peterson, 2004).

One explanation for students choosing credit cards to bridge the gap between financial resources and college costs might be that students find themselves short of cash needed to purchase books and pay fees and other living expenses after their family contributions and aid run out. Thus, the credit card is a device to “smooth out” the disparity between educational needs and cash flow. Another scenario is that students might see the credit cards as a means to upgrade their lifestyles and acquire more consumer goods such as food, beer, and clothes that are beyond the typical college student’s budget. This scenario follows consumer theory arguments that hold that college students are simply “born to buy” considering the constant marketing and branding efforts that surround them from childhood to their college classrooms (Schor, 1998; Barber, 2007; Lindstrom, 2008). Still another scenario is that college students are using the easy access to credit cards as a means to build their credit and learn how to responsibly manage their finances.

Summary of Literature

Human capital theory provided perspective to this topic because it provides an explanation for investing in higher education. As students and their parents seek to invest in higher education they must then find sources of funding to pay for tuition, fees, and other expenses. This is where financial aid enters the picture, particularly the federal student loan program where more students turn. When financial aid does not cover students' total costs they may seek a quick fix such as credit cards, which are increasingly available and a popular choice for college students.

Human capital theory.

Human capital theory offered an explanation for why students choose to invest in a college education. Leslie and Brinkman (1992) defined human capital as an individual's decision to spend resources on education is an investment decision. Individuals choose education from other alternatives when the expected return on their investment is expected to exceed the stream of anticipated educational costs by a margin sufficient to yield a rate of return greater than anticipated returns from alternatives. A college education, therefore, is an investment in human capital where the student forgoes earnings while in school and incurs tuition, fees, and living expenses in exchange for higher earnings in the future (Becker, 1992; Murphy & Welch, 1992). Douglass (1996) explained that students will invest time and money on education when they believe that the value of future earnings is greater than the costs that will be incurred. Becker (1992) wrote that if a student's investment in a college education does indeed result in higher earnings or a positive return on investment then this is an "investment good." By comparison, a student's education is considered a "consumption good" if there is no return on investment or no long-term benefit. Further, Becker explained that college could be both an investment and a consumption good with students gaining both long-term and short-term gains. Examples of "consumption goods" include attending sporting events, access to the campus library, and educational programming sponsored by the college (Leslie & Brinkman, 1988).

In terms of the long-term benefit of higher earnings, it seems that there are different results depending on factors such as market supply and demand for the student's major and the student's gender. In terms of major, Carnevale, Strohl, and Melton (2011) reported that the highest-paying major, petroleum engineering, had median earnings of $120,000 followed by pharmaceutical sciences with median salary of $105,000, and mathematical and computer sciences with median salary of $98,000. Counseling psychology was the lowest-paying major with median salary of $29,000, followed by early childhood education with median salary of $36,000, and theology and religious vocations tied with human services and community organization which both have median salary of $38,000. According to 2010 survey data published by the U.S. Census Bureau (DeNavas-Walt, Proctor, & Smith, 2011), women make 77 cents for every dollar earned by men as men make an average yearly salary of $56,053 and women earn $43,217. Regardless of these factors, the college education wage premium can be up to 50 percent or twice that of high school graduates with the premium increasing over the span of one's career (Eckaus, 1973; McMahon & Wagner, 1981; Murphy & Welch, 1992). A report by the Pew Research Center (Taylor et al., 2011) estimated that a college graduate would earn $650,000 more than a high school graduate over a forty-year work career.

Returns from higher education can also be defined as “public,” meaning that the benefit is shared with society or “private,” meaning that the benefit is the individual’s alone. Michael (1982) wrote that the private returns include financial savvy and informal networks that can result in job opportunities. Becker (1992) pointed out that the increased earnings a graduate earns are a private return minus the cost of education. Public returns on higher education include increased productivity (Hansen, 1963), increased likelihood of the graduate’s children attending college (Colin & Geske, 1990; Becker 1992), a positive impact on the nation’s economy (Hanushek, 1999), and benefits to society include children who are better supervised by parents who work less hours, reduced poverty, unemployment and crime, and literate workers in the marketplace and political arena (Davis & Morrall, 1974).

Student financial aid.

College students and their parents see college as a worthwhile investment but have misconceptions about college particularly how much it costs and how to pay for it (Ikenberry & Hartle, 1998; Paulsen &St. John, 2002; Avery & Kane, 2004). Media reports of rising tuition and fees could be part of this perception. A *New York Times* article (Lewin, 2008) reported that college tuition rose 439 percent from 1982 to 2007 while median family income rose only 147 percent. Tuition continued to rise as state financing in many states fell causing a reported 8% increase in 2010 to an average of $7,605 (Lewin, 2010) though this average masked the different tuition rates across institutional type. Average tuition for 2010-2011 was $2,710 for 2-year schools, $7,610 for 4-year publics (in-state), $19,595 for 4-year publics out-of-state, and $27,290 for private 4-years (Taylor et al., 2011). Including estimated costs for room and board, books, and transportation the total cost of attendance increased to $21,447 for public 4-year in-state,

$33,973 for public 4-year out-of-state, and $15,286 for 2-year students (Baum, Ma, & Payea, 2012).

For The University of Georgia undergraduate students the 2012-2013 estimated total cost of attendance (9-month academic year) for Georgia residents was $21,250 versus $39,460 for out-of-state. These figures included tuition and fees of $9,842 for in-state and $28,052 for out-of-state students plus $5,088 for dormitory, $3,882 for meal plan, $848 books, and $1,590 in living expenses (The University of Georgia Undergraduate Admissions, 2012). However, in 2011-2012 students at 4-year public institutions received an estimated $5,570 in grant aid (includes grant aid and federal education tax credits and deductions), which reduced the $8,244 in-state tuition to $2,674 net tuition. Students at two-year schools typically received grant aid (aid plus federal tax credits and deductions) that covered their average $2,963 tuition price and left them with about $810 leftover for covering their other educational expenses (Baum, Ma, & Payea, 2012).

As tuition, fees, and other costs making up total cost of attendance continue to rise, students and their families struggle to keep up creating a larger unmet financial need that is largely filled with student loans. While repayable sources of financing have come to represent the bulk of financial aid system (Wilkinson, 2005) the exception is the Pell Grant, a grant for the neediest students, which was on average $2,945 in 2008-09 and increased to $3,828 in 2010-11 (College Board, 2011). This shift to loans and grants for service rather than grants to provide access (Kurz, 1995) could have far-reaching consequence in terms of college choice, persistence, and even entering into graduate or professional school programs (Tinto, 1993; Millett, 2003; Kim, 2004; St. John, Paulsen, & Carter, 2005; Dowd & Coury, 2006; Chen & DesJardins, 2007; Perna, 2008). This trend creates an unequal playing-field for low- to middle-income students as

Gladieux (2004) noted that even after aid is applied the highest burden of unmet need still lies with low-income students. Price (2004) found that students from lower-income backgrounds, African-American, and Hispanic students are at greater risk of having heavy student loan debt post-baccalaureate.

Student loan debt levels have reached new high levels as the *New York Times* (Martin & Lehren, 2012) recently reported that total student loans outstanding exceed $1 trillion and continue to climb as 94% of bachelor degree-seeking students borrow compared to just 45% in 1993. Further, average debt in 2011 was $23,300, with 10% of borrowers owing more than $54,000 and 3% of borrowers owing more than $100,000. Overall the student loan debt level in the state of Georgia is relatively low compared to the rest of the nation. Couret (2012) reported that Georgia students ranked 44th in the nation in terms of college student debt at graduation with an average $18,888. Georgia ranked 33rd out of the 50 states in terms of how many college students had to borrow to pay their college costs at 55%.

Many students are turning to private loans in addition to or as an alternative to federal student loans. This type of loan is outside of the federal student loan system and has increased in popularity steadily from 2001 to 2008 then contracted in 2011(College Board, 2012; Consumer Financial Protection Bureau, 2012). According to the Consumer Financial Protection Bureau (2012), the growth period the private student loan industry experienced between 2001 and 2008 was due to loosened underwriting practices that were subsequently tightened after 2008. Private loans are typically available regardless of financial need and usually require a credit check and possibly a cosigner. These loans tend to have higher interest rates and higher fees than federal loans and cannot be discharged in bankruptcy (Mazzeo, 2007). Long and Riley (2007) argued that private loans may be utilized by many students as a means of “facilitating choice or lifestyle" (p. 132) and are largely taken by students who do not meet the federal government's standards of financial need. However, low-income students take out these loans in order to cover unmet financial need. Students with a family income of $30,000 or under borrow on average $3,200, which is close to the average unmet financial need of $3,800. The future appeared bright for the private loan industry according to Keeney (2007), who noted that from 2000 to 2005 private loans grew annually by 27% and grew as a share of student aid from 9% to 21%. However, after 2008 many private loan lenders began requiring a co-signer, requiring the student's institution to certify need, and tightening credit standards, which taken together these changes led to a decline in private student loans (Consumer Financial Protection Bureau, 2012).

Credit card usage.

Credit cards have become a billion dollar industry and a way of life for many American families leading to what author Robert Manning (2000) called "Credit Card Nation." Between 1980 and 1990 the average American family's annual credit card charges rose from $885 to $3,753, which was more than twice as fast as disposable income during the period while average consumer credit card debt also increased from $395 to $2,350 (Manning, 2000). As early as the 1960s, credit card companies saw the link between education and income according to Mandell (1972) because educational level is a good predictor for future income. Since Mandell's study in the 1960s, credit card companies have continued to seek new markets and revenue streams, and they quickly learned how lucrative college students can be and expanded their efforts on campuses. The focus on America's college undergraduate population began in earnest in the 1980s and by 1996 a survey found that two-thirds of college undergraduates had their own credit cards (Manning, 2000).

The aggressive marketing of credit cards to college students including free food and merchandise (Glater, 2008) led to specific restrictions in the Credit Card Act of 2009. This legislation ended credit card companies from offering promotional items such as t-shirts in exchange for student credit applications and placed restrictions on granting credit to college students by requiring a cosigner for minors or the student must demonstrate independent ability to pay. The credit card companies then began making arrangements with colleges and universities to take their offers to current and former students through direct mail and in some cases rewarded the colleges for new accounts, accounts open for specific time periods, and accounts that carry a balance (Calefati, 2010; Protess & Neumann, 2010; Lederman, 2010; Ensign, 2010). The product often marketed to college students, known as an "affinity card," is "a bank issued card linked to a particular group of people or organization" (Lindsey, 1994, p. 123). In this case, the particular group was current and former students of a particular university and possibly also sports fans of that school as well. The tangled relationship between credit card companies and colleges seems even more interwoven when the school's official logo is displayed on a bank's marketing materials for a card that promises to benefit the university.

Recently, the *New York Times* (Martin, 2012) reported that increasingly banks handle disbursement of student financial aid and turn university-issued student ID cards into bank debit cards. With the university's logo clearly stamped on the campus IDs turned debit cards, the suggestion is that the university endorses the product and in many cases students are assured quicker access to aid funds if they open accounts at the distributing bank. The problem is that the fees attached to these products can just as quickly deplete student funds. Some of the same tactics formerly used to market credit cards to student on campus are now being pursued by financial institutions to push debit card products such as university logos, setting up displays on campus, and offering merchandise for sign-ups.

As student credit card ownership and use have increased, a new problem has arisen. Students already borrowing heavily to finance their college education through student loans are adding to their financial strain with credit card debt. Peterson (2004) pointed out that "when college students irresponsibly run up tens of thousands of dollars in credit card debt, they are often forced into bankruptcy and a life outside the financial mainstream" (p. 168). He further explained that this path can lead to credit repair scams, high-cost debt restructuring, and using pawnshops, payday loans, and car title lenders to make ends meet. Though credit card use has risen and the stakes are high, studies have shown that there is a relationship between financial knowledge and responsible credit card usage. Robb (2011) tested students on financial knowledge and found that students with higher scores were more likely to engage in responsible behavior with credit. The Government Accounting Office defined "financial literacy" as "the ability to make informed judgments and take effective actions regarding the current and future use and management of money" (Harnish, 2010, p. 1). By this definition a large number of college undergraduates are making financial decisions, such as opening a credit card, without having the appropriate knowledge needed (Warwick & Mansfield, 2000; Joo, Grable, & Bagwell, 2003; Fox, Bartholomae, & Lee, 2005; Manton, English, Avard, & Walker, 2006). Chen and Volpe (1998) found that students falling into specific groups were more likely to have lower levels of financial literacy than their peers. These groups were non-business majors, women, students in lower class rank, under 30 years old, and those with little work experience. Researchers have found positive results from financial literacy seminars and programs in improving student knowledge (Borden, Lee, Serido, & Collins, 2008; Haynes-Bordas, Kiss, & Yilmazer, 2008).

Statement of the Problem

This ethnographic interview project examined how 13 undergraduate college students aged 18-21 years old (diverse in gender, race, social class, chosen field of study and length of time in school) used credit cards to bridge the gap between their financial resources and their educational costs. I interviewed thirteen undergraduate students who met the sampling criteria of being enrolled full-time, aged 18-21 years old, and currently had or had used a credit card while in college.

Research Questions

This ethnographic interview study addressed the following research questions:

1. How do the students perceive the gap between their financial resources (financial aid, family contributions, employment) and the cost of their education (tuition, books, fees, living expenses)?
2. What influenced the students to use credit cards to bridge the gap between financial resources and educational costs?
3. In what ways do the students use and manage their credit cards to fill the gap between financial resources and the costs of their educations (i.e., what type of expenses do they pay with credit)?
4. What is the impact of credit cards on the students' academic experience?

Significance of the Problem

This study fills a void in higher education literature and the discourse about how college undergraduate students use credit cards to fill the gap between their financial resources and their educational costs. A survey conducted in 2004 found that 76% of college undergraduates have at least one credit card and an average outstanding balance of $2,000 (Mann, 2006). Using qualitative methods enabled me to provide rich, thick descriptions and share the lived experiences of my participants. I feel that the representations of the data gathered in this study can provide other scholars, administrators, policymakers, parents, and college students a better understanding of students using credit cards to finance a college education, expand the discussion, and influence future research. I believe that I am the ideal researcher for this project because I have a background in higher education finance with five years of experience working as an accountant at a research university and my undergraduate degree is in accountancy. I also have a wealth of knowledge about qualitative research methods from my doctoral studies that have earned me a graduate certificate in qualitative research methods.

Site of the Research

The primary site of this research was an institution of higher education where I interviewed college students about their usage of credit cards to finance their college education. This institution was a Research I land-grant public university located in the southeast. In order to ensure the safety the participants and myself, the actual interviews took place occur at public locations on campus including the student center and library.

Definition of Terms

The following terms are important to this research and are used throughout the discussion of the literature in chapter two:

Credit card - "An instrument of payment which enables the cardholder to obtain either goods or services from merchants where arrangements have been made (directly or indirectly) by the card issuer, who also makes arrangements to reimburse the merchant. The cardholder settles with the card issuer in accordance with the terms of the particular scheme. In certain instances credit cards may be used to obtain cash either from bank and building society branches or from ATMs (Lindsey, 1994, p. 124)."

Extended credit/Revolving credit – "A facility offered by bank credit cards and some store cards whereby the cardholder may elect to repay only a proportion of the amount owing" (Lindsey, 1994, p. 125). Cards with this type of payment plan are most common and are hereby referred to as "credit cards" throughout this project.

Financial aid - "'Financial aid' usually refers to explicit payments that come from outside a student's family, and by far the most important source of such aid is the federal government" (Clotfelter, Ehrenburg, Getz, & Siegfried, 1991, p. 90).

Financial need - "Financial need is defined as the difference between the cost of attending a college or university and the amount the student and his or her parents can be reasonably expected to contribute toward these costs" (Archibald, 2002, p. 3). Can also be called "remaining or unmet need" (Chandler & Boggs, 1987).

HOPE Scholarship – The HOPE Scholarship program assists Georgia residents with their educational costs while attending Georgia institutions. The scholarship is based on previous and continued academic achievement (GACollege411, 2012).

Need analysis – "a technique used to estimate a student's need for financial assistance to help meet educational expenses. It consists of two major components: 1) estimating the family's ability to contribute to educational expenses; 2) estimating the student's educational expenses" (Cohen, 2002, p. 251).

Total price of attendance/education – "The tuition and fees that institutions charge students as well as related expenses. These expenses may include housing (room and board if the student lives on campus, or rent or related housing costs if the student does not live on campus), books, transportation, and incidentals. ‘Price of attendance’ is often referred to as ‘cost of attendance’” (Gladieux, 2004, p. 54).

Zell Miller Scholarship – Part of Georgia’s HOPE Scholarship program with its own specific grade point and eligibility requirements. Eligible students attending a University System of Georgia or Technical College System of Georgia institution in a degree program will receive funding covering the Standard Undergraduate Tuition amount. This program was created in with the 2011-2012 award year and began awarding eligible students in the fall of 2011 (Georgia Student Finance Commission, 2011). This scholarship covers more of a student’s tuition costs than the HOPE scholarship itself (The University of Georgia Office of Student Financial Aid, 2011).

CHAPTER TWO

REVIEW OF RELEVANT LITERATURE

The literature on human capital theory provided a framework for considering college students' financial decisions. Previous research in this area strongly supported the link between education and future earnings, making getting a college education a smart investment for a young person to make even if he or she has to borrow in order to finance it. Once a prospective student decided to enroll in college, he must consider what financial resources he has such as family contributions, scholarships, grants, and employment. The institution also considered what the student's "need" is based on federal calculations and in most cases this need is met with federal student loans. Increasingly, there is a gap between total financial resources including loans and the total costs students face while in college. This gap in financing may turn students towards alternative means of financing such as credit cards. Credit card companies have seen the link between college education and salary and are eager to solicit college students as customers.

Human Capital Theory

Human capital theory provided an interesting lens to examine the financial decisions college students make. Leslie and Brinkman (1992) defined human capital as:

> The idea of human capital is that the personal decision to spend scarce, private resources on education is an investment decision. Individuals choose from among alternative investments, selecting education when the expected stream of resulting lifetime earnings exceeds the stream of anticipated educational costs by a margin sufficient to yield a rate of return greater than anticipated returns from alternatives. Educated workers possess a

> stock of human capital not unlike the stocks of machines and other producer goods possessed by firms; these education stocks are depleted over the working lifetime just as inventories are depleted and equipment is depreciated; education stocks contribute to production and thus to economic growth conceptually in the same way as do the components of physical capital (p. 6).

Thus, education is tied to human capital because it is a way to increase one's human capital and an investment in one's future (Becker, 1992). Murphy and Welch (1992) further explained the link between human capital theory and education:

> The human capital approach views education as an investment. Individuals give up current earnings and incur tuition and other direct expenses while attending school in exchange for the prospect of higher future earnings associated with a higher level of education. Although monetary benefits and costs are not the only ones associated with added schooling, few would argue that they are not of primary importance. In fact, the evidence for a positive association between schooling and earnings is so strong that it is impossible to ignore the role of education in systematic studies of individual earnings (p. 122).

Therefore, if a college education is an investment that should yield future returns then it is reasonable that a student would be willing to finance it. Taking out loans or using credit is a short term loss, but following human capital theory a college education is an investment that should yield higher future earnings (Taubman and Wales, 1974). Douglass (1996) explained that students will invest time and money on education when they believe that the value of future earnings is greater than the costs that will be incurred. The link between education and future salary is very strong in previous literature on human capital theory which strengthened the ties between education, human capital, and salary or future earnings (Cohn & Geske, 1990, Becker, 1992; Murphy & Welch, 1992; Berger, 1992; Becker, 1993).

Becker (1992) agreed that the decision to attend college is based on a comparison of the costs to attend (tuition, fees, books, room and board, and forgone revenues) against future financial returns. If the investment in college does produce future revenues then it is indeed considered an "investment good." If the student's investment in college does not produce additional income then it is purely a "consumption good," which means that there is no long-term benefit. Becker wrote that higher education can be viewed as both an investment and consumption good because "students get immediate benefits from going to college, as they enjoy the college experience – learning for the sake of learning or partying until they drop may be goals of the college-age student" (p. 92). Leslie and Brinkman (1988) pointed out that nonstudents often have the same opportunities to capture the same consumption benefits that college students such as attendance at campus athletic and theatre events, viewing educational programming produced by the college, community events sponsored by the college, and use of campus facilities open to the public such as the library and bookstore. Another way to look at education is "consumption to the extent that it gives present satisfaction to the student or to others, investment to the extent that it promotes either future nonpecuniary satisfaction or future gains in productivity, waste to the extent that it creates neither pleasure nor productivity either now or in the future, and a drag (or at least a hindrance) to the extent that it renders incompatible individuals' preferences and their employment opportunities" (Davis & Morrall, 1974, p. 1). Consequently, the student's investment in higher education could have either long- and short-term benefits or just the short-term though Tannen (1978) found that both types of benefits are important motivators to potential college students. Likewise, Hearn, Bacig, and Poch (2002) found that high school students and college students in their focus groups used both investment and consumption logic when talking about college attendance though the high school students used investment logic more frequently than consumption logic while the college students used investment logic only slightly more often than consumption logic in their discussions.

An interesting consumption aspect of college relates to social class and expectations. Some consumption relates to the college student acquiring "taste" in literature, arts, and recreation but there are more extreme examples. Clotfelter, Ehrenburg, Getz, and Siegfried (1991) wrote that an extreme example of the consumption of the college experience could be as strong as the more long-term investment piece:

> Among some groups in society, the notion that a child would not go to college is almost heresy, no matter what the monetary return. For these demanders, 'that ancient and honorable degree' of Bachelor of Arts or science amounts to a minimum level of acceptable education. From recreation to social class requirements, considerations such as these are usually lumped together as 'consumption' aspects of college (pp. 62-63).

What is most intriguing about the authors' assertion is that in this case the consumption appears to belong not only to the student but also to the parents and other family members.

While most authors agree that a college education will bring a student more income in the workplace, there is evidence that there are dissimilar returns on an investment in education depending on different factors. Becker (1992) explained that in a market economy certain skills will be more valued at a given time. According to Becker, students know which skills are most valued in the current workplace and will choose majors that correspond in order to maximize their investment. The marketplace changes over time, according to Berger (1992), and so the value of specific skills can rise or fall depending on many factors. Factors to consider are differences in pay for males and females and supply side issues. According to 2010 survey data published by the U.S. Census Bureau (DeNavas-Walt, Proctor, & Smith, 2011), women make 77 cents for every dollar earned by men as men make an average yearly salary of $56,053 and women earn $43,217. As the number of students in college or in specific fields of study increase, there may be adjustments in the marketplace in terms of pay for graduates. Berger (1992) commented that these shifts in value or the salary employers are willing to pay for specific skills serve as signals to students as to what they can expect to receive for their investment in a given major. Regardless of factors such as gender and field of study, the college education wage premium can be up to 50 percent or twice that of high school graduates with the premium increasing over the span of one's career (Eckaus, 1973; McMahon & Wagner, 1981; Murphy & Welch, 1992). A report by the Pew Research Center (Taylor et al., 2011) estimated that a college graduate would earn $650,000 more than a high school graduate over a forty-year work career. Further, the typical high school graduate earns on average $770,000 over forty years working while the typical worker with an associate's degree earns about $1 million and the bachelor degree graduate earns about $1.4 million. These earnings can vary according to the graduate's area of study. Carnevale, Strohl, and Melton (2011) reported that the highest-paying major, petroleum engineering, had median earnings of $120,000, followed by pharmaceutical sciences with median salary of $105,000, and mathematical and computer sciences with median salary of $98,000. Counseling psychology was the lowest-paying major with median salary of $29,000, followed by early childhood education with median salary of $36,000, and theology and religious vocations tied with human services and community organization which both have median salary of $38,000.

While the human capital theory explains the wage premium for college graduates as a return on investment through schooling, Clotfelter, Ehrenburg, Getz, and Siegfried (1991) put forward another possibility. These authors presented an alternative view of college as a two-part selection system where admissions and graduation serve as selection mechanisms. First, potential students apply to college and are sorted as to their ability and merit. The most able students are asked to enroll and have passed the first selection hurdle. The students then move through their plans of study and the second selection hurdle. The most able students out of those enrolled should clear this second hurdle by graduating while the less able students will likely drop out. In this model the result is that the college graduate is one who has endured the double selection process and society values this achievement with higher earnings.

When discussing the returns from education, authors differentiated between those that are private and public returns from the investment in a college education. Schultz (1971) wrote that, ‘by investing in themselves, people can enlarge the range of choice available to them. It is one way free men can enhance their welfare” (p. 26). Along with choices and income, there are private benefits that a college education brings to graduates. Michael (1982) wrote that graduates acquire financial savvy about how to spend their income such as what types of investments and borrowing instruments are best and also what consumer goods they should purchase. College graduates also acquire an informal return in the form of networks, relationships, and friendships that can result in opportunities for club membership, mate selection, and further job opportunities.

Becker (1992) pointed out that the college graduate does receive increased earnings over his or her lifetime, which is a private return on investment calculated by subtracting cost of education and taxes paid from the lifetime earnings. The public or social return on the investment is the increased productivity of the graduate as a result of his or her education (Hansen, 1963). This return is calculated by taking the increased value of his or her productivity and subtracting the cost of society's investment in the graduate's education. Cohn and Geske (1990) took a different approach by considering that the private individual is also a member of society and therefore the college graduate's benefits from his or her education also belong to the society as well. However there are two benefits that the authors note belong to the social rather than the private benefit category which are tax payments and external benefits the private individual cannot capture. An example of these "external" benefits is that the government can count on the college graduate to be literate enough to fill out tax returns. Becker (1993) agreed with Cohn and Geske (1990) that one indirect return of investing in education is the intergenerational effect that is realized years later when the graduate's children achieve the same level or higher in education than the parents. Hanushek (1999) wrote that educational investments in human capital are important for the nation's economy and growth. Davis and Morrall (1974) added that other "external" benefits to society include children who are better supervised by parents who work less hours, reduced poverty, unemployment and crime, and literate workers in the marketplace and political arena.

Student Financial Aid

Seeing higher education as an important investment in the future, perspective students and their parents often struggle with decisions about how to pay for college. Ikenberry and Hartle (1998) found that Americans believe that a college education is vital for economic success but they do not feel that higher education is "affordable." The researchers found this sentiment to hold across racial groups as well as a contradictory belief among respondents that they will be able to afford college educations for their children. Respondents also indicated that they felt they knew a lot about college education costs but the researchers found the respondents overestimated the average cost of tuition at a public four-year institution by 212 percent and misjudged total cost of attendance by 99 percent. Estimates for average tuition at a private four-year college were overstated by 31 percent and overstated by 40 percent for total costs. Most troubling for the researchers was that respondents misjudged average tuition and fee levels for public community colleges by 180 percent. Further, the researchers conducted focus groups on financial aid and found participants very confused on how much aid is available, where the aid comes from, and most importantly how they can get the aid. Other researchers have found similar results, such as Paulsen and St. John (2002) who found that perceptions of high college cost affected the enrollment of students from low socioeconomic households. Avery and Kane (2004) studied public high school students participating in a program that attempted to educate them on the college application process. The students were asked to estimate tuition only (excluding dormitory, food, and other expenses) for a community college and a public research university but the students overestimated by two to three times the actual tuition rates.

Perhaps one reason participants in the previously mentioned studies overestimated college tuition is that according to a *New York Times* article (Lewin, 2008) college tuition rose 439 percent from 1982 to 2007 while median family income rose only 147 percent creating that perception. Tuition continued to rise as state financing in many states fell causing a reported 8% increase in 2010 to an average of $7,605 (Lewin, 2010) though this average masked the different tuition rates across institutional type shown in Table 2. Because students have other expenses other than tuition it is important to consider those as well including room and board, books, and transportation. These estimated expenses are detailed in Table 3 for public 4-year (in-state and out-of-state) students and 2-year students with totals of $21,447, $33,973, and $15,286 respectively making up total cost of attendance. For The University of Georgia undergraduate students the 2012-2013 estimated total cost of attendance (9-month academic year) for Georgia residents was $21,250 versus $39,460 for out-of-state. These figures included tuition and fees of $9,842 for in-state and $28,052 for out-of-state students plus $5,088 for dormitory, $3,882 for meal plan, $848 books, and $1,590 in living expenses (The University of Georgia Undergraduate Admissions, 2012). However, in 2011-2012 students at 4-year public institutions received an estimated $5,570 in grant aid (includes grant aid and federal education tax credits and deductions), which reduced the $8,244 in-state tuition to $2,674 net tuition. Students at two-year schools typically received grant aid (aid plus federal tax credits and deductions) that covered their average $2,963 tuition price and left them with about $810 leftover for covering their other educational expenses (Baum, Ma, & Payea, 2012).

Table 2: Average Tuition per Institutional Type for 2010-2011

Type of institution	Average published tuition and fees for 2010-2011
2-year public	$2,710
4-year public (in-state)	7,610
4-year public (out-of-state)	19,595
4-year private	27,290

(Taylor et al., 2011)

Table 3: Average Estimated Undergraduate Cost of Attendance (2011-12)

	Tuition	Room & board	Books & supplies	Transportation	Other	Total
Public 4-year	$8,244	8,887	1,168	1,082	2,066	21,447

(In-state, on campus)						
Public 4-year (Out-of-state, on campus)	20,770	8,887	1,168	1,082	2,066	33,973

(Baum, Ma, & Payea, 2012)

Regardless of the confusion the public faces over financial aid, over half of American undergraduate students use some form of financial aid to finance their education (loans, grants, scholarships, and work-study). As tuition and fees at U.S. universities rise, family income and grants have struggled to keep up. The result is that the gap between grants and scholarships and college costs known as "unmet need" has grown larger and is typically met with repayable aid such as loans. This shift toward repayable aid (loans) has grown over the past two decades to represent the bulk of the financial aid system (Wilkinson, 2005). Even grants have changed to something students "earn" by committing to national service for example rather than as an entitlement or tool to promote access. The exception is the Pell Grant, a grant for the neediest students, which was on average $2,945 in 2008-09 and increased to $3,828 in 2010-11 (College Board, 2011). As a result, the focus of the financial aid system continues to be loans and grants for service rather than grant aid targeted to provide access to postsecondary education (Kurz, 1995) and this new focus could have far-reaching consequence in terms of college choice, persistence, and even entering into graduate or professional school programs (Tinto, 1993; Millett, 2003; Kim, 2004; St. John, Paulsen, & Carter, 2005; Dowd & Coury, 2006; Chen & DesJardins, 2007; Perna, 2008).

Kurz (1995) wrote that this shift toward loans and away from grants has changed family commitment and expectations. Families have become negotiators looking for the best "deal" for their students and demanding a return on their "investment," meaning that they search for the most quality education they can receive for their child with the lowest cash investment. The author noted that "parents' willingness to sacrifice to send their children to college is evaporating as they face a more and more uncertain economy, as the benefits of choosing one institution over another seem less clear and quantifiable, and as colleges seem more and more willing to bid for their children (p. 29). Further, parents and prospective students feel they deserve a clear return on their investment in an uncertain economy and institutions must demonstrate the best value in terms of a quality experience and also future employment prospects for the graduate.

Though family expectations have changed, one trend that remains the same is that there is an unequal playing field for low- to middle-income students attempting to finance higher education. Gladieux (2004) wrote:

> Even after factoring in both student aid and the family's ability to pay as defined by standard need analysis, calculations of unmet need still suggest that the burden is greatest for low-income students. According to the Advisory Committee on Student Financial Assistance, unmet need is considerably higher for low-income students than for middle- and high-income students at both public and private four-year institutions as well as public two-year colleges. Financial aid, in other words, has not offset the real increases in sticker price (p. 29).

This unmet need, as previously mentioned, is most often met with loans. Gladieux (2004) continued:

> Among undergraduates, low-income students pursuing four-year degrees borrow the most. Of graduating seniors from low-income backgrounds in 1999, 80 percent in private four-year colleges and 65 percent in public four-year colleges had used loans to offset their college expenses. The proportion of high-income students who had borrowed was 57 percent in private four-year colleges and 47 percent in public four-year colleges. On average the low-income student accumulated more debt than the high-income student, especially at private institutions. Effects of the shift to loan financing are difficult to ascertain, but the prospect of debt probably discourages many less affluent young people from considering postsecondary education. There is evidence as well that financial assistance in the form of loans is less effective than grant aid in helping students to stay in college and get their degrees. And there are consequences for society that must be considered as rising college costs are increasingly financed by student loans. The growth in debt may skew students' professional and career choices, discouraging college graduates from entering teaching and other socially useful fields that are relatively low paying (pp. 30-31).

Research has shown that family income, race, and ethnicity strongly influence students to borrow heavily. Specifically, Price (2004) found that students from lower-income backgrounds, African-American, and Hispanic students are at greater risk of having heavy student loan debt post-baccalaureate.

Concern over student debt burdens has risen as the debt levels have reached alarming rates for American college students and graduates. The *New York Times* (Martin & Lehren, 2012) recently reported that total student loans outstanding exceed $1 trillion and continue to climb as 94% of bachelor degree-seeking students borrow compared to just 45% in 1993.

Further, average debt in 2011 was $23,300 with 10% of borrowers owing more than $54,000 and 3% of borrowers owing more than $100,000. Indeed, student loan debt has outpaced credit card debt and though economists found this to be positive for many Americans this means they might make payments on their own student loans while filling out financial aid paperwork for their college-aged children (Lewin, 2011). Overall the student loan debt level in the state of Georgia is relatively low compared to the rest of the nation. Couret (2012) reported that Georgia students ranked 44th in the nation in terms of college student debt at graduation with an average $18,888. Georgia ranked 33rd out of the 50 states in terms of how many college students had to borrow to pay their college costs at 55%.

Hansen (1987) wrote that the burden on student loans is not simply how much the student borrowed. How much a student can earn and the economic conditions at time of repayment bear heavily on a student's ability to repay which is difficult to predict. For example, a student could take out loans to finance a bachelor's degree in a program of study that is currently in demand but when he/she graduates the demand for this field has fallen off sharply thus the availability of jobs and the level of entry-level salary have decreased. Long and Riley (2007) concurred that starting salary plays a major role in a student's ability to repay his/her student loans and students with certain majors, for example social work, are typically at a disadvantage given low starting salaries for the field. Concern over student loan levels coupled with the current economic slump has forced politicians to consider a variety of proposals to prevent the problem from getting worse. These possible solutions include bankruptcy reform to allow federal and private student loans in bankruptcy and loan forgiveness programs for specific circumstances such as work in public service or making payments for a specified amount of years (Block & Dugas, 2012).

The recession has also created shifts in college choice and attendance as two-thirds of high school seniors surveyed nationally in 2009 responded that the recession had a considerable impact on their families and one in six reported that they had changed their college plans due to the down economy. While few students surveyed gave up on college due to the recession, 41% were considering a public institution or a school close to home while 15% were considering a two-year school. Respondents also showed increased interest in living at home for college and working part-time. Students in all income groups reported that their parents wanted more information on financial aid and students increasingly responded that their parents were concerned about affordability and financial aid at specific schools (College Board, 2009).

A growing trend in financial aid is the increased usage of private loans by many students in addition to federal loans. This type of loan is outside of the federal student loan system and has increased in popularity steadily from 2001 to 2008 then contracted in 2011 as shown in Table 4 (College Board, 2012; Consumer Financial Protection Bureau, 2012). According to the Consumer Financial Protection Bureau (2012), the private student loan industry's growth period between 2001 and 2008 was due to loosened underwriting practices that were subsequently tightened after 2008. Private loans are typically available to all students regardless of financial need and usually require a credit check and possibly a cosigner. These loans tend to have higher interest rates and higher fees than federal loans and cannot be discharged in bankruptcy (Mazzeo, 2007). Long and Riley (2007) argued that private loans may be utilized by many students as a means of "facilitating choice or lifestyle" (p. 132) and the prevalence of high-income students taking them aids their argument. The authors quote an Institute of Higher Education Policy (IHEP) report that found that 75% of private loan users did not meet the federal government's standards of financial need and 92% of dependents seeking private loans had families with incomes of over $100,000. However, low-income students take out these loans in order to bridge the gap between their resources plus federal aid and their educational costs. Students with a family income of $30,000 or under borrow on average $3,200 according to the same IHEP report, which is close to the average unmet financial need of $3,800. The future appeared bright for the private loan industry according to Keeney (2007) who noted that from 2000 to 2005 private loans grew annually by 27% and grew as a share of student aid from 9% to 21%. However, after 2008 many private loan lenders began requiring a co-signer, requiring the student's institution to certify need, and tightening credit standards, which taken together these changes led to a decline in private student loans (Consumer Financial Protection Bureau, 2012). Private student loans are likely to remain a choice for students as college costs continue to rise and outpace the federal student loan program. The private loan industry will look to meet students' unmet need with an easier application process and competitive marketing, products and interest rates.

Table 4: Value of Private Student Loan Industry 2001-2011

Year	Value of Private Student Loan Industry
2001	Less than $5 billion
2008	Over $20 billion
2011	Less than $6 billion

(Consumer Financial Protection Bureau, 2012)

Credit Card Usage

Peterson (2004) wrote that in 1971 half of all American families had at least one credit card. Through aggressive marketing and solicitation, credit card companies increased their reach so that by 1995 "credit cards had outstripped coins and folding money as the payment of choice for consumer transactions" (p. 99). Credit cards became a billion dollar industry and a way of life for many American families leading to what author Robert Manning (2000) called "Credit Card Nation." Between 1980 and 1990 the average American family's annual credit card charges rose from $885 to $3,753, which was more than twice as fast as disposable income during the period. Unfortunately, average consumer credit card debt also increased from $395 to $2,350 (Manning, 2000).

As early as the 1960s, credit card companies saw the link between education and income:

> Because knowing a person's education is a good way to know what his income is or will be in a few years, credit card companies use education as an indicator for soliciting preferred customers. It is a common practice for credit card companies to send applications to graduating college seniors whose names are acquired from the universities. In fact, prior to 1971, many graduating college students were among the unsolicited recipients of credit cards. In addition to these practices, advertisements for credit cards commonly appear in college newspapers (Mandell, 1972, p. 13).

Since Mandell's study in the 1960s, credit card companies have continued to seek new markets and revenue streams, and they quickly learned how lucrative college students can be and expanded their efforts on campuses. Manning (2000) pointed out that college students can be much more profitable customers than their parents:

> This is because it is cheaper to conduct mass marketing campaigns on college campuses (about half the cost of marketing to their parents), students forge long-term corporate loyalties (an average of at least 15 years for credit cards), they offer profitable cross-marketing opportunities with other corporations (GM, American Airlines, Time, Wal-

> Mart, MCI), and their present and future needs include a wide range of financial services (private students loans, debt consolidation, checking accounts, savings accounts, auto loans, home mortgages). Finally, unlike other nearly saturated credit card niche markets, at least one-third of the population of four-year colleges and universities is replenished each year with new students (freshmen and transfers) (p. 167).

This focus on America's college undergraduate population began in earnest in the 1980s and by 1996 a survey found that two-thirds of college undergraduates had their own credit cards (Manning, 2000).

The aggressive marketing of credit cards to college students including free food and merchandise (Glater, 2008) led to specific restrictions in the Credit Card Act of 2009. The legislation strictly forbade the practice of credit card companies setting up on college campuses with free food, t-shirts, and other promotional items in exchange for students signing up for cards. Also credit cards must require a cosigner for minor students in order to extend credit or the student must demonstrate independent ability to pay. Interestingly, the legislation also took aim at the relationships between the credit card industry and institutions by requiring these deals to be more transparent for example in annual reporting (Guess, 2009). However, the new regulations did not stop credit card companies completely from marketing to college students. In 2010 the Federal Reserve reported that credit card companies paid colleges and their alumni associations over $83 million for access to current and former students. Thus instead of setting up on campus with free pizza and t-shirts, the credit card companies took their offers to students and former students through direct mail and in some cases the agreements rewarded colleges for new account, accounts open for specific time periods, and accounts that carry a balance (Calefati, 2010; Protess & Neumann, 2010; Lederman, 2010; Ensign, 2010).

The product commonly advertised during these direct mailings to students and alumni is referred to as an "affinity card" and it is a concept that is far from new. Simply put, the affinity card is "a bank issued card linked to a particular group of people or organization" (Lindsey, 1994, p. 123). In this case, the particular group was current and former students of a particular university and possibly also sports fans of that school as well. Manning (2000) explained that this is a common marketing strategy for credit card companies:

> People can support their favorite causes and organizations (colleges, sororities, environmental groups, religious associations, political causes) by joining special 'affinity' credit card programs that remit monetary donations (less than 1.0 percent of annual charges) based on the volume of the member's purchases. By exploiting our social craving to establish personal identities through group association, affinity cards provide the cardholder with instant recognition. Like customized bank checks or souvenir T-shirts, consumer credit cards have become individualized billboards that convey social or political statements through pictures of virtually any activity or object of interest. These include a favorite pet (send your pet's picture to First USA), leisure activity, hobbies, professional association (American Bar Association), professional sports team (NFL), museum (Smithsonian), favorite magazine (*The Nation*), and even your city (D.C.'s Jefferson Memorial) (p. 7).

This tangled relationship between credit card companies and colleges seems even more interwoven when the school's official logo is displayed on a bank's marketing offering a card that promises to benefit the university or shows a fan's pride or spirit. Manning (2000) called this relationship a "Faustian pact" where the university and the credit card companies benefit at the expense of the students:

> As a result, rather than protecting the economic and educational interests of their students, college administrators are playing an active and often disingenuous role in promoting the societal acceptance of consumer debt as well as the prominence of credit cards in college life. For example, bank-sponsored 'smart' (computer chip) cards are being used as student IDs (automated dorm entry 'key') as well as bank credit cards (Visa, MasterCard). Their multifunction 'stored value' features facilitate the collection and transmission of personal data throughout the fiber-optic network of the global information economy with only limited privacy protections. In the absence of direct parental guidance, together with a social environment that promotes immediate gratification (attitudinal disconnect between cash and credit) and the deferment of economic responsibility (e.g., student loans), the financial education of American college students is increasingly being auctioned by universities to the highest corporate bidders. This suggests that one of the most enduring lessons of college – often beginning with the first tuition loans – is the uncritical acceptance of credit dependency. Most likely, it will help to shape the sharp disjuncture between current discretionary lifestyle activities and the inability to satisfy consumption desires due to the burdens of college indebtedness and modest household incomes (pp. 192-193).

Recently, the *New York Times* (Martin, 2012) reported that banks and credit card companies have struck deals with colleges in order to lure more student customers. Increasingly financial institutions handle disbursement of student financial aid and turn university-issued student ID cards into bank debit cards. With the university's logo clearly stamped on the campus IDs turned debit cards, the suggestion is that the university endorses the product and in many cases students are assured quicker access to aid funds if they open accounts at the distributing bank.

The problem is that the fees attached to these products can just as quickly deplete student funds. Some of the same tactics formerly used to market credit cards to student on campus are now being pursued by financial institutions to push debit card products such as university logos, setting up displays on campus, and offering merchandise for sign-ups. Examples of university and bank partnerships to offer these ID card/debit card products include North Carolina State University (partnered with US Bank to offer MasterCard), University of North Florida (partnered with American Express), and Arizona State University (partnered with MidFirst Bank). A campus spokeswoman admitted that North Carolina State will receive 75 cents per month for each open and active hybrid ID-debit card. If three-quarters of the 34,000 students on campus have an active card then North Carolina State receives $19,000 each month (Ryman, 2012; White, 2012).

As student credit card ownership and use have increased, a new problem has arisen. Students already borrowing heavily to finance their college education through student loans are adding to their financial strain with credit card debt. Manning (2000) noted that several credible studies point to a rise in credit card debt among college students:

> For instance, national surveys of undergraduates at four-year colleges by the market research firm Claritas, Inc., found that average student credit card debt climbed 134 percent between 1990 and 1995 – from $900 to $2,100. More compelling are the results of the National Student Loan Surveys sponsored by Nellie Mae. Between 1996 and 1997, the average credit card debt among its undergraduate respondents rose from $1,879 to $2,226. Moreover, those with credit card debts between $3,000 and $7,000 doubled from 7 to 14 percent; those with debts over $7,000 also doubled from 5 to 10 percent (p. 169).

The consequences of such debt can be dramatic. Peterson (2004) pointed out that "when college students irresponsibly run up tens of thousands of dollars in credit card debt, they are often forced into bankruptcy and a life outside the financial mainstream" (p. 168). He further explained that this path can lead to credit repair scams, high-cost debt restructuring, and using pawnshops, payday loans, and car title lenders to make ends meet. Peterson wrote at worst the accumulation of debts leads to years of struggling to repay, bankruptcy, falling prey to schemes and in some cases leads to suicide. At best, the student must delay some financial dreams such as homeownership, getting married, starting a family, or starting their own business while paying off credit card and student loan debt over many years.

Though credit card use has risen and the stakes are high, studies have shown that there is a relationship between financial knowledge and responsible credit card usage. Robb (2011) tested students on financial knowledge and found that students with higher scores were more likely to engage in responsible behavior with credit. The Government Accounting Office defined "financial literacy" as "the ability to make informed judgments and take effective actions regarding the current and future use and management of money" (Harnish, 2010, p. 1). By this definition a large number of college undergraduates are making financial decisions, such as opening a credit card, without having the appropriate knowledge needed (Warwick & Mansfield, 2000; Joo, Grable, & Bagwell, 2003; Fox, Bartholomae, & Lee, 2005; Manton, English, Avard, & Walker, 2006). Chen and Volpe (1998) found that students falling into specific groups were more likely to have lower levels of financial literacy than their peers. These groups were non-business majors, women, students in lower class rank, under 30 years old, and those with little work experience. Researchers have found positive results from financial literacy seminars and programs in improving student knowledge (Borden, Lee, Serido, & Collins, 2008; Haynes-Bordas, Kiss, & Yilmazer, 2008).

Summary

The literature in the areas of human capital theory, student financial aid, and credit card usage provide a framework for examining the phenomenon of college students using credit cards to possibly satisfy their unmet financial need. Human capital theory holds that there is a connection between higher education and future earnings with benefits that can differ depending on factors such as choice of major and gender. College students wanting to invest in a college education are increasingly using repayable sources of aid such as federal student aid but private student loans have become another source of funding. Previous research points out that overwhelmingly college students do not have adequate information about student financial aid or financial literacy. This lack solid financial information can be dangerous as students find themselves marketed to by credit card companies and finding their own institutions entangled with credit card companies in some cases.

CHAPTER THREE

METHODOLOGY

Methodology is the roadmap as to how the research questions will be pursued through the course of a research study. Schwandt (2007) noted that methodology is "a theory of how inquiry should proceed" while methods are the tools of inquiry used to accomplish data collection and analysis (p. 193). The first major consideration in creating a successful study is methodology and methods, which are the building blocks of the foundation of a successful study and determine which research questions will be possible and how they can be answered. Other important considerations included what constitutes data in this study, interviewing, observation, triangulation, researcher subjectivities, researcher role, informed consent/access, participants, data analysis, ethics and politics, risks and benefits, and representation of data collected.

Methodology and Methods

Crotty (1998) defined methodology as creating a research strategy that drives the choice of method(s) used in a study. For this study I wanted a strategy that enabled me to investigate the cultural phenomenon of undergraduate students using credit cards to pay their college expenses which led me to ethnography. The ethnographic approach is known for rich, thick descriptions of everyday cultural experiences (Yin, 1993; Bentz & Shapiro, 1998). Borrowing heavily from anthropology, ethnographic research investigates human society and culture while employing methods such as interviews, document analysis, examination of life histories, and participant observation (Merriman, 1998).

This ethnographic study addressed the following research questions:

1. How do the students perceive the gap between their financial resources (financial aid, family contributions, employment) and the cost of their education (tuition, books, fees, living expenses)?
2. What influenced the students to use credit cards to bridge the gap between financial resources and educational costs?
3. In what ways do the students use and manage their credit cards to fill the gap between financial resources and the costs of their educations (i.e., what type of expenses do they pay with credit)?
4. What is the impact of credit cards on the students' academic experience?

Data

For this study, data was primarily transcripts from the interviews I conducted. These interviews lasted about an hour per session, consisted of questions from a semi-structured interview guide, and were audio-taped for later transcription. I transcribed the tapes myself rather than using a professional transcriptionist to save on cost and to enable me to more fully immerse myself in the data. See Appendix A for a list of conventions I used during transcription. One important decision I made were the conventions I would follow in transcribing the interviews. First, is that I did not add any punctuation or break the statements into sentences. Also, I transcribed the interviews including the verbal "fillers" such as "um," "uh," and "huh" and I also show overlapping talk with brackets because sometimes the participant and I were talking at the same time. I felt that using these conventions gave the reader the real experience of being with me in the interviews because the transcripts show exactly what was said and how it was said without artificial breaks, "scrubbing" to remove the fillers, or omitting or editing the overlapping talk. Further, I believe that due to the sensitive topic the transcripts are value-laden and I wanted to represent the students' attitudes just as they represented themselves.

During and after the interviews I also noted my observations and this is part of my researcher's journal. My researcher's journal is also considered data and contains details such as participant body language and my impressions that were helpful when analyzing the transcripts. I used interviews as my primary method in this study and observations from my researcher's journal as a secondary method. This observational data was helpful in providing further context to the interviews and method triangulation.

Participant Interviews

Prior to starting data collection, I created the interview guide (see Appendix B) based on my research questions. Using an interview guide provided structure and organization to the interview process (Patton, 2002), which I found very helpful because I had limited experience interviewing and wanted to ensure that I was not lacking questions and direction for the conversations. I would classify my interview guide as "semi-structured" according to definitions of authors such as Kvale (1996) and Merriam (1998) because I did construct a list of questions that I wanted to ask in a suggested order with some potential probing questions but I also gave myself freedom to follow emerging topics that the participant introduced into the conversation. For example, I did not intend on asking the students about unpaid and paid internships or jobs specifically but when I asked about their financial resources this topic was introduced by several students and I felt comfortable following this emerging topic.

I started each interview by reminding the participants of their rights during the interview and asking if they had any questions before I turned on the audio recorder. I felt that this was a good exercise in gaining trust and ensuring that participants were properly informed. I then started out with background questions, which Patton (2002) defined as questions that ask the interviewee basic information such as year in school and major/minor. These questions helped participants ease into the interview and in some cases helped me engage shy students. As the interview progressed, I attempted to balance guiding the conversation with the interview guide and letting the conversation flow as the participant constructed his/her story. I adjusted depending on the participant's comfort and shyness but did manage to incorporate the spirit of the interview guide if not the exact questions in each meeting. At the outset of the meeting I told the students that my final question, as Patton (2002) defined it, would give them the opportunity to make any comments they wanted about the interview or topic or they could ask any questions they wished. I felt this was an appropriate ending for the meetings and I got some interesting comments from some of the participants to the final question.

Observation

Though not my primary method of inquiry I did utilize observation throughout the study. I tried to make notes of anything that I felt was noteworthy during the interviews and then made more thorough notes after the interviews concluded. In some cases I made further observations during the transcription process for example when I sometimes heard a change in tone or a behavior that I missed during the meeting. In general I was noting the setting, activities, behaviors, body language, and interactions but also my impressions of the meetings. I felt that these observations were valuable during the data analysis and writing process because they added context and color to the interview data (Merriam, 1998; Patton, 2002).

An example of my observations is the notes I took during the interviews with student I call "Paige." I took notes during the interview but later when I transcribed the recording of the interview I observed something I had missed during the meeting. During the interview I noted how stressed Paige seemed and had written the word “chaotic” on my notes because of my observation of her frustration and her distracted behavior during our meeting. To be specific, not only was Paige late to our meeting but she also took several phone calls from a friend during the interview in order to retrieve her missing keys. All the while she was sharing with me how stressful and frustrating it is for her to support herself through college. During the transcription I heard a catch in Paige’s voice while she was talking about her mother and the lack of support her mother gives her financially. I played that part of the recording back and captured it in my notes because I could hear this emotion and what I then heard helped validate and expand my earlier observations about her emotional state. Previously I had noted Paige’s frustration and stress over her financial situation, but the recording and analysis showed an added element of sadness revealing that Paige is not only angry, but also upset about her mother’s lack of support. The notes on these observations gave me insight when I was analyzing and writing and I hope that I captured these emotions and other observations in my narrative.

After writing my observations I performed a variation of the memo-writing described by Charmaz (2006) in order to work through some of my observations and develop some of my ideas. Specifically, I fleshed out my observations and wrote ideas and broader impressions that occurred to me. My memos were not codes or categories as much as they were ideas and possible themes. These memos later were helpful during the analysis and writing phases because I had some preliminary themes and ideas that in some cases did become part of the findings, conclusions, and recommendations. For example, during several interviews students mentioned their internships paid and unpaid. I wrote in my researcher’s journal following one of these interviews how I had noticed several mentions of internships and that it was interesting how students in the journalism/communications majors in particular commented that they felt they had to take unpaid positions to build their resumes.

Triangulation

Triangulation is an important concept in qualitative research because it is a means of providing internal validity and reliability (Merriam, 1998). Of the four basic types of triangulation, which are data, investigator, theory and methodological, I employed two types in this study (Patton, 2002). I used methodological triangulation by using more than one method of investigation, interviews and observation, which enhanced my data collection. I also had different sources of data, the participants, which is data triangulation. Stake (1995) defined data triangulation as "look[ing] to see if the phenomenon or case remains the same at other times, in other spaces, or as persons interact differently" (p. 112). Thus taking the student interviews and analyzing across the interviews provided perspective on how this selection of students at the same institution experienced the same cultural phenomenon.

Researcher Subjectivities

As qualitative research is very much centered on the researcher as an instrument and not a neutral one without bias, feelings, motivations, or desires (Fontana & Frey, 2005) it is necessary to disclose my subjectivities on the research topic because indeed my feelings did play a role in the study. Growing up I was aware of struggles with credit cards and debt in my home though I did not have my own credit card until my last year of undergraduate study. I felt as though I went off to school with very little financial literacy and therefore I made the typical error of abusing the small amount of credit I had, paying it off, and then not using it for a considerable time. As an adult I have been able to make considerable progress in managing money and utilizing credit in a responsible way though I wish I had had a less costly education in financial responsibility than I received.

I feel that my personal experience gave me a level of empathy with students who were struggling or have had struggles learning to manage credit on their own. I was particularly curious about students who have a healthy use of credit, in that they can use credit without incurring debt or penalty, because this is something that even many adults struggle with in this society. It was interesting for me to consider how students utilize credit and what level of financial education they have. I hope that I used my experiences to empathize with students and in some cases build rapport with them.

Researcher role

I gave much thought to what my role as a researcher would be during the student interviews. Dyson and Genishi (2005) wrote that prior to beginning fieldwork a researcher should consider how he or she will position himself or herself:

> Multiple questions occur to a researcher before she officially gets on the case: How will I dress? Where will I sit? How much should I talk with people in the classroom, and in what kind of language? Will the children expect me to act like an assistant teaching now that I'll be visiting more often? And if I decide to assist, how will I work in the extra visits when I'll help particular children? Questions like these reflect the range of roles that a researcher may take on while on the case, or put another way, the varied ways in which she might position herself or be positioned as a researcher (p. 51).

In short, there are many considerations that a researcher should take into account such as age, gender, language, and so on. For this study I wanted to position myself mainly as a listener/facilitator and allow as much as possible for the students to actively construct their stories. I wanted the students to tell their stories in their own words rather than mine with my prompting to ask them what they think and feel when needed. Rather than a typical conversation or a back-and-forth type of exchange thought of as an interview, I wanted the meetings to be a reflective experience for the students where they relate their experiences rather than simply a question and answer session. I feel this role was in the vein of feminist interviewing described by Reinhartz (1992) though this research study is not a feminist project by design.

Bassey (1999) noted that the social skills of the interviewer are important and that often the interviewee will construct answers that he/she thinks will please the interviewer. I worked hard throughout the data collection phase to be aware of the emotional needs of my participants, for example if someone appeared uncomfortable, but I did not want to make any comments or sounds that indicated approval or disapproval of any behavior they described. Given the potentially sensitive subject matter, I wanted the students to feel they could express themselves without judgment. Also, despite my background working and studying in accountancy, I did not want to offer any type of counseling or financial advice to the participants regardless of what they said. I deliberately chose the role of facilitator rather than counselor because I felt this role better enabled the students to tell their stories without fear of my professional judgment. If necessary I was prepared to refer students who needed professional services to the appropriate personnel on campus.

Sample and Sample Selection

I interviewed thirteen undergraduate college students aged 18-21 years old in depth about their use of credit cards to finance their college education. The participants were as diverse as possible in terms of race, gender, social class, but also in terms of years completed and field of study.

The sample selection criteria for this study were as follows:

1). enrolled full-time student aged 18-21 years old at the institution.

2). currently using or have used a credit card to bridge the gap between their financial resources and their college education expenses such as tuition, fees, room, board, books, supplies.

Access and Informed Consent

Once I secured approval from my campus Institutional Review Board on February 24, 2011, I begin negotiating access to potential participants who fit my sampling criteria. The following are ways I advertised the study to potential participants: an ad on social media networking website Facebook (www.facebook.com), a classified ad in the campus newspaper, flyers posted around campus in high-traffic areas for undergraduates, email listervs and through specific classes. Facebook is a website used by millions of people daily and features customizable advertising that enables the advertiser to target very specific populations, such as people who attend a specific institution and are within a specified age range. By comparison, a classified ad in the institution's campus newspaper has a different reach depended on readership and distribution. The flyers provided the most cost-effective way of reaching large numbers of students because there are numerous bulletin boards located in areas such as the student union and other major campus buildings where large numbers of students pass daily. See Appendix C to view the flyer I used to advertise the study around campus. Campus listservs and specific classes were very effective as these methods reach students more personally and provide information about the study through email or their learning management system.

The advertisements instructed potential participants to contact me by campus email for more information. By email I then replied with a brief summary about myself, the study, and the expectations of participants in the study. This was an effort to create informed consent where participants knew as much as possible about the purposes and goals of the study and potential risks (Erickson, 1986). Another aspect of informed consent is that participants knew that their participation is voluntary, of any aspects of the research that might affect their well-being and that they may freely choose to stop participation at any point (Glesne, 2006). I made it clear that involvement or choosing not to participate in this study in no way affected the students' standing with their institution at this time or in the future. Potential participants were also informed that during the interviews I would be audio-tapping the sessions for future transcription and to provide a complete record of the meeting (Glesne, 2006). These recording would be in my possession during the course of the study and destroyed after the study is complete. There are no other individuals other than myself with access to these recordings.

Participants

Participants for this study were those students who fit the sampling criteria, responded to my advertisements, and completed an interview. Though using several means of reaching potential participants as previously noted I found that a smaller number of students than expected are interested in following through with an interview. I believe this can be explained by the numerous activities that compete for their attention daily, the subject matter of the study which could be stressful, and the reward given to participants to thank them for their time. Undergraduate students are very busy with school, work, and other commitments not leaving a lot of time for research studies. Those who do have extra time may have been turned off from contacting me simply because they could have perceived the topic as something that would embarrass them or be uncomfortable to discuss with a stranger. Another reason for lower turnout is that at this institution a large number of other research studies boasted larger monetary or gift card rewards for participants. I offered participants a $5 gift card as an incentive for completing an interview, while other studies recruiting on campus during the same time period offered up to $100 for participating in a multi-session clinical study.

I interviewed a total of thirteen students over three semesters (Summer 2011 through Spring 2012) though an additional student I accepted for the study failed to show for his interview would have made the total fourteen. The majority of these students responded to flyers I made and placed around the campus. The students contacted me by email and we set a date and time to meet for the interview. Most interviews took place in the student center's coffee shop though all were in public locations on campus. Overall the participants were diverse in terms of major, racial background, gender, and financial support as demonstrated in Table 5. The thirteen students completed the interview and I gave them a five dollar gift card in return. At the conclusion of these interviews I felt satisfied that I had reached data saturation.

Table 5: Participant Characteristics

Gender: 7 males, 6 females
Race: 7 Caucasian, 6 Non Caucasian
Year in college: 2 first, 2 second, 2 third, 7 fourth
Major: 4 pre-professional, 3 journalism/communications, 2 business, 2 psychology, 1 engineering, 1 consumer science
On HOPE scholarship: 11 yes
Zell Miller Scholar: 4 yes
Parents supporting living expenses: 7 yes
On Pell Grant: 2 yes
Works part-time: 5 yes

Works unpaid: 2 yes

The following is a brief sketch of each of the study participants:

- Amy is a senior from out-of-state who is interested in attending law school after graduation. She supports herself through student loans after finding that part-time work was distracting from schoolwork.

- Natalie is a sophomore studying communications/journalism. She is an in-state student who had lost eligibility for the HOPE scholarship but was confident she would get reinstated. Her parents primarily provided support for her education but she was also working part-time to meet extra expenses.

- David is in his third year of college and is interested in either pharmacy or medical school in the future. He supports himself primarily with scholarships such as HOPE though his parents provide some assistance.

- Emily is a senior in consumer sciences contemplating graduate school in the future. She is a Zell Miller scholar but also has college savings from her parents to pay for college.

- Thomas is a senior in engineering who supports himself with the HOPE scholarship, the Pell Grant, and on-campus part-time work.

- Paige is a third-year student and had just transferred from a two-year school at the time of the interview. She pays for college with the HOPE scholarship, student loans, and off-campus employment.

- Owen is a freshman interested in attending veterinary school in the future. He was looking for on-campus employment at the time of the interview to help cover his expenses. He is relying on the HOPE scholarship, Pell grant, and student loans to pay for college.

- Brandon is a senior in the communications/journalism field. His parents were his primary source for support though his parents had taken out student loans. Brandon was also on the HOPE scholarship and worked various part-time jobs in order to build his resume.

- Charles is a senior studying business. He did not have any support from his parents but was a Zell Miller scholar, held a part-time job on-campus, and did have some student loans.

- Alex is a senior studying business and was taking a course in financial management for seniors at the time of the interview. Alex was a Zell Miller scholar and had parental support for his other expenses.

- Katie is a freshman studying psychology and was looking for a part-time job on-campus when she interviewed in order to help her parents with her expenses. She is a Zell Miller scholar and is supported by her parents.

- Eric is in his third year of study and hoping to attend pharmacy school in the future. He has the HOPE scholarship and parental support for his college expenses.

- Sarah is a senior in business and was taking a course in financial management for seniors at the time of the interview. Sarah pays for college with the HOPE scholarship, student loans, and part-time employment.

Data Analysis

My data analysis plan started with my research questions, which served as a guide throughout the entire study. This focus on the research questions helped me keep an eye on what I originally intended to investigate and the questions I was interested in answering. While new questions and themes emerged through the course of the study, I addressed these new concerns as well and considered how the research questions changed or adapted. Stake (1995) called research questions “the guiding ideas under investigation” (p. 172) and likewise I felt that my research questions should guide the data analysis.

Aside from my research questions, I used induction based on the work of Charmaz (2006). Charmaz recommended coding as actions to avoid making conceptual leaps and moving quickly through the data using short codes. These short, action codes were easier to compare with each other and collapse into new codes through the constant comparison method. Through constant comparison, I refined the codes into broader themes and patterns. While Charmaz advocated line-by-line coding, I favored what she called “incident by incident coding.” Coding by incidents enabled me to look at the whole phrase or statement and thus have more context when coding. While coding I looked for any codes I could create using the participants’ words or phrasing, which Charmaz called “in vivo codes.” I feel that in vivo coding gives the participants even more of a voice in the data analysis process. See Appendix D for an example of my coding process.

Narrative analysis provided tools to further examine my interview data particularly the stories the students told. Schwandt (2007) wrote that the term “narrative analysis” encompasses “a variety for interpreting the narratives or stories generated in research” (p. 202). Creswell (2007) further defined “stories” as “these are aspects that surface during an interview in which the participant describes a situation, usually with a beginning, a middle, and an end, so that the researcher can capture a complete idea and integrate it, intact, into a qualitative narrative" (p. 235). For example, I asked the students how they made the decision to open a credit card, which often prompted them to tell a story giving a detailed description of the event. Using narrative analysis to further examine the students' stories was helpful in answering my research questions and exploring emerging themes and patterns in the data.

Ethics and Politics

Ethical and political issues could have arisen during the course of this study due to the use of human subjects. While following institutional regulations regarding the use of human subjects, I informed potential participants of their rights and the purpose of the study so that they could make informed decisions about their participation. It was important for potential participants to understand the subject matter of the study and that all interviews will be audio-tapped for transcription purposes only. Also important was that participants were aware that participation or refusing participation in the study did not have any impact on their standing in their university or in a specific course. Each participant was given a chance to review their rights as participants in writing prior to the beginning of the interview, ask any questions, and then sign a consent form I provided. See Appendix E for the participant consent form.

Interviews were conducted at public locations, such as the campus student union, campus coffee shop or library. Using public sites rather than a participant's dorm room or apartment gave the study a more professional appearance and ensured the safety of the participants and myself. I felt that participants were not only safer meeting in such location, but probably felt more at ease meeting a stranger in a neutral setting. That was important for building rapport and trust between me and the participants. Also, I felt that using a location such as the library or a room in the student union enabled me to better record the meeting for later transcription and eliminate noise and distractions.

In terms of representation, I explained to potential participants that their identities would be confidential. The goal of this study was not to embarrass, misrepresent, or hurt the reputation of any of the participants or the institution they attend. I have protected the participants' identities by giving them pseudonyms and masked identifying characteristics in all representations of the data. My best effort has been made in order to protect the identities of the students though key background identifiers may be included to provide the reader appropriate context. Thus, I have balanced the need to keep the students' identities private with the need to provide the readers of representations with thick, rich descriptions that enable them to "see" the students. Member checks were offered to the students as an opportunity for me to ensure that student participants' identities were properly shielded.

Participants had the opportunity to conduct member checks if they wanted after I transcribed the audio recording of their interview session. They were able to contact me through phone or email in order to review a copy of their interview transcript or a summary of their session and offer their thoughts. Schwandt (2007) noted that member checking is often considered a "courtesy" to a participant who has given of his or her time to the researcher and may be interested to read what the researcher writes about him or her. Other authors described member checking as a strategy to enhance internal validity and give the researcher confirmation and in some cases alternative suggestions (see Stake, 1995; Merriam, 1998).

Risks and Benefits

No risk or minimal risk was expected to participants in this study. Participants were informed verbally and in their consent form that if at any point in the interview they could pause or stop the interview if they experienced any emotional distress. While I had hoped that my interview sessions would provide self-reflection for participants and a chance to share their stories, I knew that in some cases discussing their personal finances could be stressful. For example, one student was nervous about the interview and wanted to turn the recorder off to ask more questions before we began and I readily complied. Other students did not request a break but I tried to be aware of any distress during the conversations and adjusted the direction of the conversation as necessary. I was sensitive to how participants reacted to the interview questions while pursing the topic. In light of incidents of campus violence such as the one at Virginia Tech it is the responsibility of a researcher engaging a student participant in what might be an upsetting or stressful conversation to be aware of the student's reaction and recommend counseling if necessary.

As for benefits, I think that participants benefited from having the opportunity to discuss their use of credit cards as a means of financing their college education. Interviewing with me gave them the chance to share their stories in their own words and have their stories be heard through the representation of the research data. They also had the benefit of being a part of a research study that will influence future research and the discourse around college students, credit cards, and student debt. In order to better recruit students for the study and to thank them for their time, I offered the participants a gift card of $5.

Representation

I clearly explained to participants that this research was for my doctoral dissertation at The University of Georgia. Further use of the data of this study for scholarly publications and presentations is highly possible. In all representations individual participants will not be identified and audio recordings of interview sessions will not be part of any presentation.

Limitations

This study is limited in terms of the specific students studied and the researcher's subjectivities. The students interviewed cannot possibly represent all college undergraduate students as a group or even all undergraduate students at their own school. Rather, I hope that through "rich thick descriptions" (Merriam, 1998, pp. 29-30) that I have described the phenomena in such a way that the reader can make his or her own generalizations if desired. I hope that I have fairly disclosed my own subjectivities that present a limitation as well in that my personal history and experiences surely color my perspective as an interviewer, data analyst, and writer.

CHAPTER FOUR

FINDINGS

Using constant comparison of the coded transcripts I developed four major themes. First, the students often discussed college as an investment that they hoped would reward them beyond their financial outlays or expenses. Second, the students had various means of supporting themselves or financing their investment in higher education. Third is credit card use in terms of how they use credit in general and responsibly or irresponsibly. Lastly, throughout the interviews there was a consistent theme of a lack of information and knowledge about personal finance.

College as an Investment and Expense

The first theme arises from statements the students made concerning their investment in college. This investment includes not only their decision of college and major but in the case of several students the commitment to a pre-professional program or graduate school in order to achieve the credentials necessary for their career choice. Four out of the thirteen students interviewed were in pre-professional programs that they hoped would prepare them for law, pharmacy, medical, or veterinary schools. Three other students were considering post-baccalaureate work in the future in order to gain access to their desired field. As is the case with many investments there is an element of risk that the investment will not result in the return on investment that the student intends, for example a successful job search. Natalie, a sophomore, was very optimistic about her ability to find a part-time job:

> I think it's {J: In terms of} always you know the economy is always going to be a series of you know peaks and {J: Mmm-hmm} hills and drops and curves and whatever the terminology is I'm not in Econ till next semester {J: Laughs} but um I don't know I'm confident that it's going to improve like you know people are saying we're reaching another Great Depression sort of thing where we're just caught everybody down in the dumps but I look at you know there's hiring signs all over the place and you know I think I'll be able to get a job next semester I'm not too worried about it whether that's because I'm confident in myself and feel that I'll be able to work a job or if anybody could get the job I'm not sure but um you know maybe others will be more affected by the economy than I will but I feel I feel like it's going to go up and everyone will be happy eventually it's just going to take some time (Lines 421-430).

Likewise, Owen, a freshman, commented that though he may have to deal with limited finances in college that there would be better days ahead:

> …you have to be responsible this is your life college is for the education {J: Mm-hmm} for the future that you can use to make your own future not a place for you to just spend your money and ruin your future in the end because I see that if I work hard now hopefully it will pay off in the end to where I can live happily and just suffer now and hopefully live happy later (Lines 201-205).

Charles and Sarah, both seniors in business programs, told me that they were not worried about getting jobs and paying back student loans. However, Paige, a junior and recent junior college transfer, expressed a more negative outlook on the value of her investment in college which includes a high reliance on loans:

> …it almost seems like it's not worth it like school {J: Right} you know what I mean and then there's another thing about loans is there's a pressure to make it through {J: When you're taking out loans} yeah-yeah cause if you're taking out ten thousand dollars in loans or five thousand anywhere from five thousand to ten thousand every year you know there's that pressure this building pressure of you have to finish this you have to get your masters you have to get a higher level degree you have no options because if you get out with a bachelors you're not going to be able to pay any of that off {J: Um-hmm} there's just this stigma and this heavy weight of burden of how am I going to pay for all of this (Lines 130-138).

Overall despite a weak economy, it seemed that the students interviewed were optimistic about their investments in college paying off for them.

This theme also covers the students' comments regarding their expenses which represent the financial outlay they or in some cases their parents pay. A rather large expense according to the students is books and other educational costs such as paying for online access for testing access. David, a junior, reported that he had to buy one book that cost $350 while Owen, a freshman, admitted that he had underestimated the cost of books and that he didn't know "this happens every single semester too (Line 87)." Several of the students mentioned the extra costs they often faced like Katie's example:

> Yeah that's always annoying like they kind of just throw that in at you {J: Mm-hmm} like but you know right before the weekend like by the way would you mind paying a hundred dollars so you can go do homework {J: Right} on this online website {J: Yeah or do quizzes or something like that so} after you buy your you know hundred and fifty dollar text book {J: Mm-hmm} and your sixty dollar clicker (Lines 47-51).

As a commuting student from a nearby town, Katie told me that gas was her major expense. At the time of these interviews gas prices were on average $3.60 per gallon, making gas a concern for all the students with cars particularly for traveling home. Food was another expense that the students mentioned and Thomas, a senior, explained how he learned to save money by cooking at home:

> I mean even like saving your money on like eating out for like food and stuff like that I've learned even over the years it's much cheaper and it's easier at least for me just to cook something at home {J: Um-hmm} and have it for a few days and rather than have it to eat out two times a day or whatever that really takes a huge dent on like the grocery money or whatever (Lines 146-150).

Several students had been or were currently on the campus meal plan, which means they pay upfront for the semester but they can eat as much as they want when the dining halls on campus are open. Owen, a freshman living on campus, liked being on the meal plan because his food expenses were taken care of while Brandon and Sarah told me that they often ate out with friends who were not on the meal plan which resulted in overpaying for food according to Sarah:

> Because I was on meal plan but {J: Uh-huh} I didn't want to eat it {J: Oh okay} and so I would like I would still go out to eat and that was really stupid {J: So you were spending} yeah like double like why would I'm paying for my paying for food at the dining halls but I'm also going out to eat (Lines 190-193).

While rent for an apartment or dorm was an expense for the students, they reported that either they paid for a semester of rent through financial aid or paid monthly with support from parents.

Means of Financial Support

With the HOPE scholarship covering all or most of the tuition expenses for the majority of the students I interviewed (eleven out of thirteen were receiving this scholarship at the time of interview) the students used a mix of financial aid including loans, earnings from part-time jobs, and varying levels of parental support for their remaining financial need. Six out of the thirteen students interviewed stated that they used loans to cover expenses such as books, rent, dorm, and food or meal plan. Of the students who talked about their loans, two specifically mentioned paying off their credit card balances with their loan money. I asked Amy if she paid her balance each month and she answered "Um not really I just let it accumulate and then when it's time oh when I do get financial aid next semester (laughs) I pay it (Lines 152-153)." Sarah, a senior, explained that she took her loan money and prepaid her rent out of it as a budgeting tool:

> I learned early on that I took my student loan money and I just gave my six month's worth of rent to my landlord at the beginning {J: So that gets it out of the way} yes {J: And then you don't have to worry about making rent} prepaying expenses it's done I don't have that money in my bank account because that was another problem sophomore year I would spend it then I would say later that I could you know I'll save part of my paycheck and then I'll pay my March rent then and I learned very that was very hard to do so {J: Not the best strategy} no (laughs) not at all (Lines 281-287).

Thomas, a senior supporting himself through school, avoided loans throughout his college career for religious reasons explaining that his faith does not believe in paying interest. This conviction has led him to finance his costs outside of the HOPE and other scholarships with part-time work while avoiding loans and paying off all credit card charges each month.

Thomas was not alone because a total of five of the students interviewed worked part-time in order to contribute to their support. Two other students, both freshmen, were in the process of looking for part-time work at the time of our interview. Sarah has worked a variety of on-campus and off-campus jobs throughout and talked about the stress she experienced when she lost her part-time job last semester:

> …they said that they didn't have any room for me and so over Christmas break I was like really stressing about how I was going to pay for this semester {J: Um-hmm} um and so I actually just got this job last Friday (laughs) {J: Wow} so yeah um I had some savings built up and it was okay (laughs) (Lines 152-156).

Brandon, a senior in journalism, told me that he'd had a string of small jobs and internships while in school in order to build his resume. These jobs were typically low-paid if paid at all:

> And you know throughout school I've been trying to take odd-end jobs with journalism it's hard to do that because it's hard to find a part-time job in the field of journalism while you're still a student most everything in journalism while you're a student is an unpaid internship (Lines 53-55).

Alex, a senior in a similar field, concurs as he has experienced a low-paying job he took for experience and also was planning to take an unpaid internship the following semester in hopes that this job would result in a full-time offer in the future.

Both Brandon and Alex admitted that they would not be able to pursue these unpaid or low-paying positions if they did not have parental support covering their living expenses and books. Alex noted that his parents' support definitely enabled him to focus on schoolwork, "Yeah so I-I mean I'm lucky that we're uh financially stable enough that I don't have to work which is really nice I can focus on actually keeping my grades up and anything else (Lines 87-

88)." Seven out of the thirteen students reported that their parents do provide a large measure of their living expenses such as rent, food, gas, and money for discretionary spending. Three out of that seven had college savings accounts from their parents like Emily, a senior and Zell Miller Scholar, who came to college with enough savings that she didn't need to work:

> My I was very careful in high school and my parents were very careful when I was little they started a college fund for me and they just um every paycheck they put a little bit of money in and then when I was in high school they emphasized saving my money (Lines 54-56).

It is interesting to note that the same number of students in the study who reported using loans as part of their financing also reported that their parents do not provide funding for their living expenses though one student had loans and parent support while another had no loans and no parent support.

Aside from these two students the lists of those on loans and those without parental support are identical. The differences are Brandon, whose parents do provide support but have had to take out some loans, and Thomas, who is supporting himself but for religious reasons avoids loans because of the interest. Thomas told me that his lack of parental support is simply due to his upbringing:

> Um I've even from a younger just from how was brought up I mean I think at least my parents I mean everyone was responsible for their own expenses in terms of unnecessary or uh individual things like hobbies or go to the movies or eating out or things like that{J: Umm-hmm} I mean things like that I really learned to live within my means and I think that's an invaluable lesson that I learned um even from the very beginning so um I mean I'll buy different things but I'll be within my budget I know I'll have to pay rent I have to

> pay tuition and then pay gas on top of that then I'll have a little bit sometimes I can splurge if I have more money but I can learn to live less if I don't have as much (Lines 131-138).

Thus for Thomas the lack of parental support is not a source of tension or stress but this is not the case for some of the other students. Paige, for example, expressed a great deal of stress over her lack of financial support from her mother:

> um I do pay my own insurance um I do pay my own cell phone bill and everything else the only things I don't pay for is my car payment {J: Mmm-hmm} because that was a gift kind of thing and then I don't pay my health insurance {J: Okay} which goes through my mom's work {J: Okay} so other than that I pay for everything entirely and it's scary it's really scary (Lines 71-75).

During our conversation Paige explained that her mother supports several family members and has her own student loans and credit card debt. The result is that even though Paige's mother has a job with a generous salary but due to her own financial issues she cannot help Paige financially and according to Paige her mother's salary makes her ineligible for need-based financial aid programs like the Pell Grant and subsidized federal student loans.

Using Credit Cards

With only one exception the students interviewed reported that their parents helped them obtain their first credit card and the most popular reason for getting a credit card was "building credit." Two of the students, Alex and Katie, first got their credit cards in high school for travel purposes while the rest of the students primarily started using credit in college. The way the students used credit appeared to largely be up to their parents if their parents were paying the bills. Natalie, a sophomore, explained that her mother monitored her credit card expenses very closely and often calling her about her spending:

> Oh yeah it's terrible because {J: laughs} I'll go you know I'm not 21 but I'll go downtown {J: Right} and um so like my mom will call and she'll be like why did you spend fifteen dollars at such and such bar and I'm like oh {J: Oh no} it's like I have double things to explain it's like first question is like you know why, why are you going to bars and the second question is why are you spending this much money at bars {J: Umm-hmm} so she constantly keeps track of my finances (Lines 153-158).

Brandon's parents also closely monitored his credit card expenses as did Alex's. Alex described his father's practice of using a highlighter to mark expenses that he deemed unnecessary which Alex would have to repay. Meanwhile students who were largely self-supporting had little to no contact with their parents regarding their credit card spending thus they made their own decisions about what types of expenses are appropriate for credit. Charles, for example, is self-supporting in terms of the majority of his expenses:

> I have two debit cards and three credit cards {J: Okay} uh and like anything I ever spend on goes on a credit card and um ever since I had my first credit card uh towards the end of high school um (pause) because of different factors or whatever I decided that you know I was going to have a credit card and I was only going to spend what I had and I would pay the bill off every month and I would never carry a balance and that sort of thing and so that's what I've been doing and so far spotless uh record (Lines 124-129).

Other students also mentioned the "convenience" of using credit over cash, debit, or checks especially for safety and making online purchases. Some of the students noted that they opened extra credit cards in order to take advantage of promotional offers or rewards programs such as cash back on purchases. Thomas, who always pays his credit card in full, told me about the lucrative offers he had received:

> I never maxed out any cards or anything and um solely I just I guess after I think one year or one and a half year I got like other offers like I mean {J: Right} I mean just by reading the forms and other stuff like I know I saw a lot of deals that you can actually like make like bonus stuff uh airline points or something like{J: Rewards, rewards} you get yeah {J: Points for using it} not even I mean for using it but also like when you do a finance when you sign up for a new credit card {J: Uh-huh} so I signed up for a few of those and like I've gotten pretty good deals like one there was one I think that was like ah I think you got like a two hundred dollar gift card or something for signing up for it {J: Wow} and I mean I for any credit card I always look for make sure it's zero annual fee {J: Oh yeah} because that's I mean either you're paying them to use it {J: Um-hmm} and the APR and all that stuff isn't matter for me because obviously I don't {J: It's interest} yeah so {J: Right} so it doesn't matter if it's high or low so um {J: Huh} so I've I mean like right now I have like six or seven different credit cards (Lines 213-224).

As a group the students reported that they spend between two hundred and four hundred dollars on credit in an average month though this figure would be higher at the beginning of a semester when book and other instructional costs raise the total dramatically.

The students described several methods of keeping track of their credit card expenditures and thus avoiding overspending. Charles, a senior in business, showed me his I-phone app that enables him to get a real-time update on his "net worth" any time he wants it:

> Um actually um I have like ah (pause) I have an android phone or whatever {J: Uh-huh} I use a program called k-budget and I like I keep track of well that's not good {C is

> showing J the screen on his phone} {J: Ah} I keep track of {J laughs} like what goes on what cards and like what I'm making in salary and stuff so what I keep track of is this number over here that sort of tells me like kind of what my net worth is sort of so I always know that I'm not overspending and then I mean I know that I manage my spending habits so I know that I'm not you know going to have to carry a balance or anything (Lines 132-138).

While the other students didn't use an app to manage their finances, many still mentioned that they simply tried to keep up with their receipts and keep a total of their spending. Emily, a junior in consumer sciences, told me she pays her charges off after she makes a credit card purchase so that she can better manage her money and avoid any surprises when the statement comes:

> I'm sure sometimes people make credit card payments and they just don't realize how much it adds up like when they buy a bunch of little things {J: Right} (laughs) um then the statement comes and suddenly it's huge (laughs) um I mean all I can say is be aware and I would hope that like they would it's kind of something I feel like for parents to talk to them about {JN: Um-hmm} um cause I'm sure my parents you know even though they trusted me they were a little bit nervous when I got my first credit card cause I'd never had one they didn't know what I'd do with it (laughs) {J: Right} and then when I started using it I was I mean I don't think they even know how I use it because I don't wait for the statement I just go ahead and pay it off (Lines 346-354).

Both Thomas and Katie told me that they simply make their finances work by paying the necessities like rent, utilities, and school-related expenses and then evaluating what they have left for food and gas before splurging on entertainment, clothing, or other non-necessities. I was curious why the students never mentioned using budgets or budgeting software for managing their finances but Charles, who works part-time on campus, explained that most students are working jobs with variable hours which makes budgeting more difficult than for someone with a set salary. Eric, a sophomore, tracks his expenses and avoids spending on unnecessary items that he told me are “just for show.” Most students, according to Eric, spend un-wisely just to impress others including his roommate, who used his financial aid money shopping at the mall:

> Yeah it was like um he was one of the kids who got a refund check {J: Oh okay} I think it was for thirteen hundred dollars or no fif- I think it was like fifteen hundred dollars first day he got it he bought a Mac Book for thirteen hundred thirteen or eleven hundred and the rest he bought on clothes {J: Wow} like it was sad like I don’t I was I was I talked him so much so many nights that I talked to him so many nights I’m just like dude it’s not worth it you know same thing I told you it’s not worth it like why you have to pay all that back if it was like legit free money like grants I can somewhat understand but not to the point when you’re spending all of it and just you know why are you killing your parents (Lines 454-461).

Several of the students mentioned that they had to avoid impulses to buy updated phones or laptops or the latest shoes or clothing but they had friends who indulged whether they had the financial means to or not.

However not all of the students relayed stories of responsible or thoughtful use of their credit cards. Amy, a senior, admitted that she tries not to think about her credit card spending:

> I think that it’s not the credit card itself it’s that attitude of responsibility {J: Mm-hmm} that I think it kind of incentivizes where here’s a credit card you can just spend it you

> know and then that makes me not very responsible with my money and therefore I cannot afford the things that I actually do need like a car that sort of thing (Lines 239-242).

She further explained that often she could make quick, impulsive decisions like ordering a pizza online without much thought to her credit card balance or financial resources. Paige, who is largely self-supporting and relies heavily on credit for her expenses, confessed that she had lapses of judgment using her credit card:

> I'll be the first to admit that I'm not I'm not one hundred percent angel with my credit card you know I work so hard every week bust my butt and who doesn't like a nice pair of jeans {J: Right} you know I don't go on shopping sprees in the least bit but I mean going to Gap and getting myself a nice pair of jeans (pause) I don't feel that bad about it but at the same time I'm like I don't really have the money to be spending on a pair of jeans {J: Mmm} you know what I mean {J: Mmm} I don't know (Lines 274-280).

I asked Paige how she felt later after making such purchases and she admitted often regretful when small splurges on credit add up and her finances are depleted. What Paige described was a cycle of having financial resources from financial aid or her paycheck, spending, and overspending due to the gap that perpetually exists between her resources and expenses plus the occasional splurges that exacerbate the problem. Sarah, a senior who like Paige supports herself largely through financial aid and part-time work, related how she felt while experiencing the stress of not being able to pay her credit card bill:

> Yeah exactly so I mean I've learned a lot from it-it was a stressful time in my life I'm very financially minded {J: Um-hmm} and so it was not good I was just like I have two hundred dollars on my account and I only have fifty dollars in my bank account to pay that what am I doing like it and I it was very like overwhelming for me {J: Um-hmm}

> like people say that they can't sleep at night thing about like debt and it was kind of like that for me so but I learned (Lines 203-207).

Sarah shared with me that her credit card problems occurred when she moved off campus and ran into trouble keeping up with her friends while paying bills like rent and utilities, which were new to her. Owen, a freshman, made an interesting observation that most students overspend their resources occasionally but students with fewer resources than their peers have more difficulty dealing with the resulting bill. An example would be the story Alex shared about a friend who spent wildly with her credit card:

> Uh yeah for sure I know um yeah one girl I knew was like going downtown and like buying drinks with her dad's credit card she's like this is ah on this one's on daddy or something {J: Oh my gosh} that was a little off put by that kind of statement um but I guess I don't know why her dad didn't like look at the statement and make her pay for it but {J: So she didn't get in trouble} maybe she was just joking around {J laughs} you know cause some people talk that way but {J: You never know} they're not serious yeah (Lines 497-502).

Whether Alex's friend had to repay her father or if the drinks were actually "on her" so to speak is unknown.

The Need for Financial Information

I noticed throughout the students' interviews a general lack of solid financial information that leads to consumer confidence. One example is Emily, who seemed to have a handle on credit card spending because she pays off charges before getting the statement and never overspends, but her comments imply that she has been afraid to use credit:

> [U]m I didn't use it until this past year {J: Ok} because I didn't, I didn't want to use something that I didn't fully understand and then you see a special on Dateline about (J laughs) college kids going into crazy debt (laughs) because they don't understand what they're doing um I had to make a payment on my own that had to be through a credit card it was like an online thing it was for school {J: Um-hmm} and I didn't really have a choice and so I went ahead and did it and I was I mean like I showed up at the bank the next day to pay it off (laughs) {J: Oh} but since then if there's something that like I had to get my car fixed a few weeks back and I didn't have the money I didn't have like the cash on hand and it was a place that didn't accept checks I went ahead and paid with my credit card and like so it worked in the sense that like now that I've learned how to use it I'm not as anxious about it {J: Laughs} but I'm still pretty careful (Lines 99-109).

Likewise, Brandon, a senior with no credit card debt, had a fear of using credit but in his case he seemed to lack confidence that he could control his spending:

> I'm afraid um I yeah in the sense that I would I wouldn't look at how much I owed until later in the month and then I'd look at it and I'm like I owe six hundred dollars in two days what am I going to do (Lines 194-196).

Both Emily and Brandon possibly could have benefitted from basic information about how to responsibly use credit and tools for tracking expenses. Paige, who has loans and issues with her personal finances, expressed a great desire for more information specifically she felt she needed centralized financial counseling services:

> Yeah a financial counselor that is there solely not to not to deal with HOPE not to deal with loans not to deal with any of that crap just to look at that has access to all of our information that has access from everything and then can counsel you in not tell you what

to do because counseling isn't telling you what to do just like a counselor at school would counsel you on your emotions or what's going on a financial counselor that has access to pretty much everything so they can tell you the big picture {J: Outside-outside of financial aid though} yeah the big picture from financial aid you get the picture of you know how many classes like they would have access to all of my records I would have obviously allow for that {J: Sign over} sign over {J: Some sort of rights} yeah {J: To be able to} but I want someone on campus to be available to me to say you know this is your not portfolio cause that's like investments and stuff but this is your path and this is what you need to be spending weekly and what you need to be saving weekly and {J: And kind of how you can get there advice} yeah resources on not only scholarships I mean I know we have it's just it seems like everything is like in their separate offices you've got scholarship office you've got loans office you've got HOPE office you've got this over on the other side of campus you know I need one person that I can sit down with open a folder and say this is what I've got what do I do give me my options tell me what my options are financially legally you know loopholes I don't know {J: Strategies} maybe it's not realistic but that's what I need (Lines 286-303).

Further, Paige told me about her lack of information about what other types of loans she could get and why she has not been able to declare herself financially independent from her mother. While Paige seemed very aware of her lack of information, other students seemed to not know where they are short on solid financial information. Owen, for example, told me about making a large purchase and seemed to misunderstand the concept of "interest:"

Right and then in the beginning before I bought my books I had bought a laptop and then I really wanted to pay my laptop with my credit card so I could build my interest I had

> the cash on me but I'd rather use the credit card to build interest {J: Um-hmm} but my credit card was only seven hundred couldn't afford a thousand dollar laptop expense which already had {J: Oh} a balance on there so I didn't want to go the trouble of splitting it via online so I had it straight from my bank account so then I didn't build interest through a thousand dollar product which would've been pretty good interest I think {J: Um-hmm} because it's a large product purchase (Lines 156-162).

Indeed, Owen seemed to have confused interest with something positive like points in a rewards program rather than a fee paid for borrowing money. Charles, a senior in business, confessed that he grew up around parents who were not financially savvy and he took it upon himself to study personal finance and fill in the gaps of information he was missing. He noted that many students seem to lack solid personal financial knowledge:

> Yeah that's a lot of I guess main problems with ah I guess society in general in a lot of different problems just misinformation but with this in particular {J: Mmm} there is um people who don't know the correct information because it hasn't become available to them ah and they don't know to go looking for it (Lines 492-495).

One place students can turn for information is courses like the one that both Alex and Sarah, both seniors, were taking when I interviewed them. Alex was very enthusiastic about the course and recommended it for all students:

> There was definitely some discussion in the [campus newspaper] um last year about it a letter to the editor was talking about how you know the university should educate students in basic financial literacy and I just had some kind of like a car issue or something you know I was going to get a loan or you know something like that come up the person was clueless and like why hasn't society taught me skills and um so then that

> person wrote a letter to the newspaper and said well take these classes then I think the professor {J: Professor may have told them} the professor wrote a letter to the editor well I teach this class and people ought to take them for financial literacy and I um so like yeah my friend yeah I guess she keeps coming up I don't know why but she's a good my {J: Your example} my good my best example of why student yeah she was saying like she had the same thing like that would have been more useful for them than learning about I don't know like oligarchies and perfect competitive stuff you know like how am I going to pay for my student loans like and if we're educating people that don't even know that I mean they might know I don't know like supply-supply and demand curves {J: Supply and demand} what's a supply and demand curve going to do for you when you're in credit card debt which is more likely (Lines 620-634).

As a communications major, Alex told me that he was glad to get some financial knowledge and the course made him more confident about making his post-college financial decisions. Sarah also recommended the course and though she was a business major she gave me an example of something useful she had learned in the class:

> Sarah: Um because one of the big things is the fact that I have student loans and I was wondering like how I'm supposed to approach this after I graduate {J: Um-hmm} and I mean she's already answered a couple of questions about those you know like um should I just be paying the minimum payments and like saving the other money from my paycheck or should I be putting as much money as possible towards my student loans you know I mean um
>
> Jennifer: What did she tell you

> Sarah: Well it depends on if you're like putting it cause I know mine is my loans are at six point eight percent and so if I can get an investment like a mutual fund or a four-oh-one-k that offers at least eight I should pay the minimum payment but put the rest of my money in the investment because I'll be getting a greater return {J: Smart} so the interest on that will be paying for the payment you know so yeah {J: That's good} yeah exactly I mean like one big thing that I've already learned from that class {J: Usable information} yes {J: You can use} definitely yes so I like it (Lines 83-95).

The course that Alex and Sarah took was a senior-level graded course for one credit hour that served to give them the basics of personal finance that they would need as they entered their post-college lives. Though the university did offer some freshmen non-credit seminars featuring personal finance content, the students interviewed did not seem aware of these offerings and many commented that such a course would be helpful to students lacking financial knowledge.

CHAPTER FIVE

CONCLUSIONS

While incorporating the major findings, the conclusions for this study also attempt to answer the research questions. However, at the outset I assumed that students would readily identify a gap between their means of financial support and their educational expenses and that this gap would be met with credit card spending. I learned through the interviews that though close to half of my participants did not have parental financial support these students did not all feel that they had this gap because they learned to close the gap by lowering expenses and/or working part-time jobs. Parental support, or a lack of it, created the rules for how students used their credit cards because whoever paid the bill used this power to construct boundaries for what types of expenses and how much can be spent. Regardless of the amount of support the students had or whether they had credit or loan debt there was a general lacking of financial information that would enable them to make their own financial decisions both in college and in the future. The interviews suggested the following major conclusions about credit usage, financial aid, and student debt:

- Students are likely to close the gap between resources and expenses by means other than credit such as budgeting and working part-time
- Parental support or lack of it creates the rules for using credit such as what types of expenses are allowed and spending limits
- Students need solid financial information in order to be informed consumers and to make sound financial decisions

Closing the Resources and Expenses Gap

I was surprised at the resourcefulness of the students who almost completely supported themselves, and that many of those interviewed closed the gap between resources and expenses by budgeting and working. Of the six students I interviewed who did not have parental support for their living and other instructional expenses such as books and fees three of them closed the gap between their resources and expenses by combining a reduction in expenses with part-time work. Thus, these three students addressed and solved their own gap in resources by effectively making the resources and expenses balance. For example, Thomas, who had no family support or loans, explained his situation:

> And um normally my finances even for anything I'm normally responsible for myself my parents don't really pitch in I mean not that there's any animosity or anything {J: Right} but just because we have I think I have two other siblings going to college also so um not to be a burden or anything so usually I try to either manage by part-time jobs or whatever during the year or either during the summer or something (Lines 44-48).

Sarah, a senior who had some issues with managing credit when she first moved off campus, managed her expenses by limiting herself to what she can pay back with her part-time job earnings. She also used some loans in order to pay her major expenses like books and rent. I asked her how difficult it is to keep her spending within her means:

> It's hard um because a lot of my friends their parents pay for everything {J: Um-hmm} so you know they're going out and oh do you want a beer do you want a wine whatever you know it's like I can go out but I'm not spending any money downtown which is hard but um it's also forced me to like get really disciplined about how I spend my money and I think it's been really good I'm excited that's another issue of like grad school or going

> and working {J: Um-hmm} because it's like do I really want to spend another year like this when I could be working and like earning actual money you know so I don't know (Lines 222-228).

Sarah also remarked how she was looking forward to graduating and earning a full-time salary because then she would have more money for discretionary spending such as going out with her friends. Charles, the third such student, had done extensive research on his own about personal finance and used an app on his phone to track all expenditures he made and therefore kept himself within his means. He supported himself with a part-time job on campus and had even made enough extra money that he took over paying his school fees from his parents. In terms of how credit cards affected the students' academic experiences, the group who did not have parental support were the ones affected because they had to budget and work part-time in order to make ends meet. Paige and Sarah mentioned some stress over their finances but overall these students seemed to accept their situations and have a "make it work" attitude.

Out of the other three students I interviewed who did not receive parental support there was one student two who did use credit to address the gap between resources and expenses, another who used credit and paid off the balance with financial aid, and one student who was a first semester freshman and thus had not had enough time to establish a path for himself. Paige, a recent transfer student who supports herself with loans and part-time work, explained that her credit card is the means of last resort:

> …[L]ike summer time I don't usually get enough money to cover all of my expenses so I put it all on my credit card and then come fall when I get my disbursement I want to pay my credit card off {J: Right} so all that money from my disbursement half of it is going to my credit card {J: It's already spent} it's already spent {J: Right} and the money that's

> left is either going to my rent I did I missed I missed uh not misunderstood I just took for granted how much books were going to cost me this semester I did a huge no-no and that now I'm like petrified because I don't have any money for the rest of the semester {J: Wow} because I spent like I said I paid off my credit card from the summertime {J: Right} ah thinking you know this I'll take care of that knocked out right paid off my rent for the ah whole semester {J: Oh that's good} and I'm broke now so I'll pay all the rest of my bills what I make {J: What you make} and eat off of whatever's left (laughs) {J: Whatever's wow} so it's scary cause {J: Yeah} then it's like well where do I get my books what money do I have for my books so I put it on my credit card (Lines 101-115)

Since Paige was in her first semester at the university, she had underestimated the cost of books, much like freshman Owen, and this was detrimental to her finances. I asked her how she would use her credit card if she had more resources and she admitted that in that case she would put it away and never use it unless in emergency. Amy is a senior who explained she used her credit card without really tracking the expenses and then would pay off the balance whenever she received financial aid. Since Amy did not track her expenses at all and admitted to avoiding her credit card statements it is difficult to classify her in the same category as Paige, who admittedly uses credit to bridge her resources to her expenses. Amy was aware that her behavior with credit was probably not sustainable:

> Um it's dangerous I know it's dangerous I was telling someone that the other day not even thinking it's really a bad habit to have to spend money that you don't really have you know what I'm saying and like I have loans out and it's not a very good way to finance education yeah so probably in the future I know it's a bad habit I need to break (laugh) and I know it's going to get tougher as I'm in graduate or undergraduate with the

> loans if I don't have those loans then the financial aid coming in then how am I going to pay off the credit cards it's something I have to worry about maybe later but I'm just trying to put it off but you know (Lines 204-210).

Owen, the freshman without parental support, was looking for part-time work when I interviewed him and also using financial aid, loans and Pell Grant. He was in his first semester when I met him and thus had not had much time to establish any type of habits with credit though he related that he had overspent on credit in the past and was looking to avoid such behavior. He had most of his living expenses prepaid at the beginning of the term by living in the dormitory and joining the campus meal plan thus eliminating some of the expenses the other students had. Sarah commented that she experienced her problems with credit and managing her finances when she moved off campus because when living on campus she was able to prepay the dormitory and meal plan which changed off campus. It would be interesting to see how Owen does managing his finances in the future if and when he decides to live off campus.

Creating Rules for Using Credit

When looking at what types of expenses the students used credit to pay for it is first necessary to ask who pays the bill. Generally speaking the payer of the bill sets the rules for how the credit card is used. Natalie, Brandon, Alex, and Katie all specifically mentioned their parents monitoring their credit card expenses and paying the bill. Natalie, who was a sophomore, told me that her mother tends to look for charges to bars indicating that she is drinking underage. Brandon told me that his mother often got angry with him about overspending and his parents set rules for his credit card:

> The advice on the credit card was like I said nothing less than a hundred dollars and that every time I do use the credit card um I need to tell them I need to call them and tell them and also um that I can use it for emergencies (Lines 111-113).

In Alex's case his father disallows charges that he feels are unnecessary:

> Yeah I mean he would like he had a highlighter {J: A highlighter} and this one this one ah definitely oh well that one's actually a gas station that didn't look like a gas station so I don't know {J: (Laughs) that's funny} Mike's it's a gas station I promise yeah it's not a bar yeah {J: (Laughs) yeah} but I have a debit card now I mean I've used debit cards too so normally I'd use a debit card for those purchases (Lines 425-429).

Katie, a freshman who lives at home, told me that her parents pay the bill and she and her parents go through her credit card statements together each month. Her parents attempt to give her responsibility but still holding her accountable, for example she related how she overspent her first month of college at a campus coffee shop:

> Katie: so yeah um you know and then some of them were more like my parents like whenever my spending money the first couple of weeks and were just like you need to re-budget like you need to not spend this much on [coffee shop] drinks
>
> J: How did you feel when you had that conversation just like I know or (laughs)
>
> Katie: No it was just sort of the like hang my head pass my eyes to the ground like you know I'm sorry it's like sort of shamed cause I kind of knew like getting into it you know that I was probably spending more than I was (Lines 288-293).

The result of Katie's overspending and her conversation with her parents was that she now limits herself to coffee shop treats and spends her budget mainly on the gas she needs for her commute to school.

The students without parental support and therefore supervision made their own rules about using credit. Paige, whose mother has her own financial problems with credit and student loans, told me about her mother's advice about using credit:

> Well she is kind of just like I hope you know what you're getting yourself into is kind of her mentality is you're on your own {J: Uh-huh} you know that's kind of the way my mom's always been you're on your own uh make good decisions (Lines 163-165).

Sarah, who is a first generation student, told me that one of the reasons she was interested in financial education was that her parents did not teach her:

> Um just because my parents like they try and teach me as much as they can but they're kind of learning by trial and error themselves {J: Um-hmm} like they know you know well like don't get like thirty thousand dollars in debt that's bad {J: Um-hmm} you know you pay a ton of interest and it's not good so like yes I know I shouldn't get in debt but they haven't really showed me how {J: Um-hmm} like how not to and like how to be wise with my money I've just learned it because of that's like how I am as a person is just I like to know where my money is and how I'm spending it (Lines 37-43).

Thus Sarah, like the other students paying their own expenses, made her own rules about how she should manage credit. Charles did his own research and created his own system for using credit and managing money after seeing his parents make financial mistakes:

> I made sure to avoid those because I guess um that's the reason sort of the reason that I got into finance in the beginning was because I guess throughout high school uh early childhood experiences or whatever um pushed me to want to be good with money and that sort of thing so I wa- learned to be I guess more fiscally responsible (Lines 153-156).

Thomas explained that in his family the children learned to be responsible for their own finances early on but he primarily relied on his religious faith to base his financial decisions like how to use credit upon.

Needing Solid Financial Information

The need for more financial information was apparent for not only the students who are on their own financially but those with parental support also. Regardless of parental support, students demonstrated a lack of financial knowledge necessary to be confident financial decision-makers either while in school or once graduated. Alex, who does enjoy parental support while in school, did not exhibit much knowledge about personal finance. Specifically he did not realize that it is possible to get oneself into credit card debt until he learned about it in his financial literacy course:

> I didn’t realize it was such a big thing that credit card debt I always feel like merciless about it like it won’t happen to me and then like we were studying it and [financial literacy] class and I was I had to read the text book about that chapter about it and I kind of just didn’t read it because I was like I don’t want to learn about what to do if I get in credit card debt because then I’ll I just want it there I mean I just want it to be in my mind that you don’t go into credit card debt so you pay your debt I didn’t know it was I don’t think I fully grasped it was possible to not pay the full amount every month and so I didn’t really want to know what would happen to you if you didn’t pay the full amount I just want to be like you pay the full amount and that’s it yeah so I felt I didn’t want to like bias myself {J: Or scare yourself} well just to I mean like you you’re responsible you pay your debt like I don’t see like why people thought it was hard to not do that but I

guess I can't figure that out {J: I think it's} maybe they're not in a stable financial situation like I am (Lines 507-518).

While it is great that Alex is at least learning that there is such a thing as credit card debt for people who do not have parents paying their credit card bill monthly for them, this level of naiveté shocked me coming from a college senior. Similarly, Eric was unsure about how people use debit cards:

> Yeah I feel you can keep up if you don't spend over your limit like everybody you have a limit on the credit card mine is five hundred I've never pushed it up like I've had so many offers {J: Oh} to kick it up just cause I'm paying on time and I have no problem {J: Right} but just because like what if it get stolen or something someone could easily swipe a TV and it's gone {J: Umm} but um yeah um I feel like if you can spend wisely you don't cause usually when you put money on a debit card they'll be like what I don't know how much most people put like a hundred two hundred (Lines 152-158).

It seems that because he does not have a debit card, Eric is unsure how they can be used and did not know for example, that debit cards typically debit money out of one's checking account. While Eric does not have credit card or student loan debt it seems as though he could be well served to learn basic personal finance just to have accurate information in the case that he did have a need to use something like a debit card or needed a loan.

Emily, Brandon, and Alex mentioned that a fellow student had written in the campus newspaper about his woes after abusing credit. Emily recounted reading the article:

> there was an article in the [campus newspaper] {JN: Um-hmm} a couple of months back and it was I think it was in the opinions or something it was just a guy who I don't think it wasn't the opinions it was a front page one he got a credit card he was excited he got

> his groceries and he got gas and he felt like it was all this money that was that he could just use and he had like a five hundred dollar limit and he spent it (laughs) {JN: Right} and then the month came uh the bill came at the end of the month and he didn't and he had a limited paycheck and you in the article he talked about like oh like I need to not see this as like free money (Lines 470-476).

Brandon actually knew this student and noted that with his limited pay from a low-paying journalism job this student would definitely have a difficult time paying off the charges. Alex also brought up the same or similar situation:

> There was definitely some discussion in the [campus newspaper] um last year about it a letter to the editor was talking about how you know the university should educate students in basic financial literacy and I just had some kind of like a car issue or something you know I was going to get a loan or you know something like that come up the person was clueless and like why hasn't society taught me skills and um so then that person wrote a letter to the newspaper and said well take these classes then I think the professor {J: Professor may have told them} the professor wrote a letter to the editor well I teach this class and people ought to take them for financial literacy (Lines 620-627).

Alex, who was in a financial literacy course, remarked that he felt more students should take a course like the one he is in and even that the university should require it because it would be more useful for students than some of the other required courses.

Connections to Previous Literature

I believe that my conclusions connect to previous research specifically in the areas of human capital theory, student financial aid, and credit card usage. I feel the first conclusion, *students are likely close the gap between resources and expenses by means other than credit*, upholds human capital theory because my participants believe that a college education is worth the investment of their time, forgone wages, and in some cases the sacrifices they make to meet their unmet financial need. The students who were largely self-supporting were willing to cut their expenses, take out student loans, and work part-time jobs in order to balance their limited budgets. Owen, a freshman, expressed that sacrificing for college will be worthwhile:

> …you have to be responsible this is your life college is for the education {J: Mm-hmm} for the future that you can use to make your own future not a place for you to just spend your money and ruin your future in the end because I see that if I work hard now hopefully it will pay off in the end to where I can live happily and just suffer now and hopefully live happy later (Lines 201-205).

I did have two participants, Paige and Brandon, question whether their investments were a wise one or not given a high level of borrowing in her case and in his case a small amount of borrowing but his chosen profession is one marked with low salaries. Thus for these two students their college experience may align more with consumption than investment because their future return may be less than their investment. Paige remarked, "it almost seems like it's not worth it like school {J: Right} you know what I mean and then there's another thing about loans is there's a pressure to make it through" (Lines 130-132). I feel that the literature points to uneven returns on investment due to choice of major/field (Berger, 1992; Carnevale, Strohl, & Melton, 2011) but Paige's comments demonstrate a potential connection between human capital theory and the literature on student financial aid specifically student loan debt. The question then becomes, how does the level of debt that a student incurs in order to finance a college education effect the student's perception of return on that investment.

My second conclusion, *parental support or lack of it creates the rules for using credit,* I believe extends the literature on student credit card usage. I found that the students who had their credit card bills paid by their parents were largely under parental control as to how much they were allowed to spend and what types of expenses were allowed on their credit card bills. Thus parents were creating boundaries and there were consequences for crossing them like the parent would make the student reimburse him/her for the unacceptable charges. Natalie, a sophomore explained that her mother would not pay her credit card bill unless she had approval over charges:

> Yeah, yes, so she's always keeping check on it, it's kind of like where if I try to get away from that where she doesn't keep check of my finances then I kind of take it into my own hands and she stops like paying for things (Lines 160-162).

Students without parental oversight made their own rules for how they would use credit such as what types of expenses and what type of spending limit. Charles told me about his self-imposed credit card limits:

> I decided that you know I was going to have a credit card and I was only going to spend what I had and I would pay the bill off every month and I would never carry a balance and that sort of thing and so that's what I've been doing and so far spotless uh record (Lines 126-129).

I believe the previous literature focuses on the marketing of credit cards to students, the connections between credit card companies and colleges, and the level of typical student debt (Manning, 2000; Peterson, 2004; Glater, 2008; Guess, 2009; Calefati, 2010; Protess & Neumann, 2010; Lederman, 2010; Ensign, 2010; Martin, 2012) can be extended with my research because my interviews give evidence of how college students actually use credit and in some cases how they make their own decisions about credit. One important note is that the students interviewed are not on a campus where the university has partnered with a bank to offer hybrid student ID and debit card products that I referred to in Chapter 3. This campus instead has a prepaid student ID account option where students and parents can deposit money online for the student to use for on-campus expenses such as printing, laundry, and vending machines but it is also an accepted form of payment at off-campus businesses in some cases.

The third conclusion, *students need solid financial information*, confirms studies I mentioned from both student financial aid and credit card usage. The previous literature holds that college students lack the financial knowledge needed to make decisions like opening a credit card (Warwick & Mansfield, 2000; Joo, Grable, & Bagwell, 2003; Fox, Bartholomae, & Lee, 2005; Manton, English, Avard, & Walker, 2006) while studies on students' knowledge about financial aid likewise showed that students lack knowledge about financial aid options and college costs such as tuition and fees (Ikenberry & Hartle, 1998; Paulsen & St. John, 2002; Avery & Kane, 2004). Participants in my study demonstrated that they lacked the knowledge that leads to confidence and informed decision-making when they expressed confusion over concepts such as interest and credit card debt, uncertainty about how debit cards and student loans are utilized, and in some cases fear of using credit cards because of a fear of credit card debt. Emily, who was very careful with her finances, provided an example of how a lack of information creates fear and uncertainty:

> um I didn't use it until this past year {JN: Ok} because I didn't, I didn't want to use something that I didn't fully understand and then you see a special on Dateline about (JN laughs) college kids going into crazy debt (laughs) because they don't understand what they're doing (Lines 99-102).

I found in the interviews that students like Emily, who has very careful and measured spending habits, were often lacking information about personal finance along with their peers who have more serious issues managing their finances.

Recommendations for Research

I hope that this study inspires further research both qualitative and quantitative into some of the issues raised. First, I think the relationship between college students, their parents, and finance should be further explored for two reasons. The first reason is that the majority of the students I interviewed mentioned learning about financial issues either indirectly or directly from their parents. Sarah, for example, mentioned that her parents had a low level of financial knowledge to give her and Paige mentioned growing up in a household where she saw her mother struggling with student loan and credit card debt. Other students had much more positive experiences like Eric, who learned much from his father about saving money and avoiding impulse buying, and Thomas, who told me his parents taught him to take responsibility for his own spending from a young age. The second reason is that parental support or lack of it was very important in the student interviews in terms of how they used their credit cards. If the parents paid the bill themselves, then they likely made the rules for what types of expenses are allowed and set up a system of monitoring the statements like Natalie's mother, who checked the online statement to see where she was using her credit card. Students who did not having parental support made their own decisions about how to use credit but also had to find ways to pay the bill themselves as well like Amy, who used financial aid, or Thomas, who used part-time wages.

A similar topic that could be further researched is the relationship between financial aid, credit cards, and consumer spending. As mentioned above, Amy was one student who used her financial aid refund to pay off her credit card. Paige also admitted to paying off her credit card once receiving her loan disbursement. Eric told me how he knew many students including his roommate who used their student loans to go on shopping sprees for expensive items like designer sneakers and top of the line laptop computers. Though certainly students need clothing and supplies necessary for completing their coursework but could some of this spending be excessive and simply feeding the growing national student loan deficit. Students could be spending today on credit for unnecessary items knowing that the next loan disbursement is coming soon without much regard to paying off those loans much later in the future.

Another area for future research is the expectation of unpaid internships in order to be successful in certain majors. I interviewed three journalism/communications students and two had done one or more unpaid internships while the other admitted that she would be willing to take an unpaid job if she felt it would lead to her goals. Thomas, an engineering major, told me that he’d had unpaid and paid internships throughout school but the conversations with the journalism/communications students lead me to wonder if this practice would discourage students with limited financial resources from these majors. Brandon, a senior, told me that unpaid work in the journalism/communications field dates back to the tradition of apprenticeships that have possibly given way to unpaid or very low-pay internships for college students. Students work multiple of these types of jobs at the campus newspaper or perhaps a local newspaper in exchange for experience that makes their resume more competitive for the job market. However, once out of college the job market for communications and journalism graduates is very competitive and low-paying, according to Brandon, thus students with less resources and more reliance on student loans it would seem might shy away from these majors and instead pursue a field that does not require unpaid internships and features higher pay for more plentiful positions. The three journalism/communications students interviewed all had significant parental support and did not have to work a paying job in order to make ends meet.

Recommendations for Practice

In terms of recommendations for practice, I want to address first interventions and second educational opportunities. An intervention should address students already in or likely to be in financial trouble and from my study I feel that this would be students with little to no parental support. Students like Paige, Thomas, Amy, Owen, Charles, and Sarah are on their own financially and therefore are vulnerable in the event of a medical emergency for example that would result in unforeseen bills. Sarah told me how stressed she was between semesters because she knew she needed another part-time job in order to supplement her financial aid. Paige also expressed frustration with her consistent gap between her financial aid and part-time job earnings and her expenses. These students could benefit from financial counseling to deal with their financial stress and any kind of emergency program like a food pantry or some sort of emergency loan program. In fact, during my data collection period a food pantry opened on campus for students and reportedly had around two hundred students visit in the first few weeks of opening (Lohr, 2012).

As previously mentioned I found that a lack of solid financial information among the students interviewed both the students who had parental support and no debts and those with less resources and debts. The two students, Alex and Sarah, who were taking a financial literacy course at the time of their interviews, commented how helpful the course was in terms of making them more confident about making financial decisions like Sarah paying for her student loans or Alex budgeting for his living expenses after graduation. Sarah, who had some financial issues previously, remarked that she wished she could've had this course earlier to perhaps prevent some of her problems. Though there are certainly limitations on budgets and faculty, it would be worthwhile for as many students as possible to gain access to the type of course that Alex and Sarah took and especially if they could get this information early in their college experience. The course in question was a graded one-credit hour course for graduating seniors only but it could certainly be modified to for a freshman or sophomore audience and be non-credited like a freshman seminar.

Recommendations for Students and Parents

The most popular piece of advice that the students interviewed had for other students and their parents was communicate with each other about credit cards and other financial concerns. Owen, a freshman, explained that parents and students need to be honest about finances like what kind of support the parents can provide, what are the expectations for the student contributing to their own support, and if the parent is paying for the credit card then what are the rules for spending. Though I have mentioned that more financial knowledge is needed for college students, the interviewees overwhelmingly commented that parents should teach their kids about credit and set boundaries for using it based on the student's maturity and past experience. Charles, who educated himself on personal finance, pointed out that while there is a lot of misinformation in society about finances, there is also a lot of literature and even radio and TV shows that aim to educate consumers on issues like credit cards, saving for college, and such. These sources or consulting a professional could help both parents and students get the information needed to change or start solid financial habits.

In summary, I hope that this study influences future research and practice in higher education, but also that parents and students find some relevance as well. Through my interviews I found that students are likely to close the gap between their financial resources and expenses with means other than credit, that parental support or lack of it creates rules for student credit card use, and that students lack solid financial information. My conclusions should point future researchers toward how student financial knowledge is influenced by directly and indirectly by parents, research into the connection between financial aid and credit card usage, and research into a connection between student resources and success in majors that have a focus on unpaid internships. I feel that my conclusions should influence practitioners in terms of both interventions and education. In terms of interventions, practitioners should focus on emergency relief for students who are largely self-supporting and likely to be unprepared for fluctuations in employment or pay or an emergency expense. Educational efforts should be aimed at all students due to the lack of personal finance information I found for self- and parent-supported students. Throughout my interviews the students remarked that parents and students should have open communication about financial issues and work together to build positive financial habits.

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APPENDICES

APPENDIX A: CONVENTIONS USED IN TRANSCRIPTION

Lack of punctuation – I attempted to transcribe as close to the actual conversation as possible and so did not add any punctuation to attempt to break statements into sentences

{} – indicates that another speaker has spoken or made a noise such as a laugh. I used these brackets as a way of capturing conversation that was almost overlapping. I included laughter and other noises in the transcript because I felt they were a part of the conversation.

J: or Jennifer - indicates that the speaker or person who made the action is the researcher

APPENDIX B: INTERVIEW PROTOCAL FOR STUDENT PARTICIPANTS

The interviews for this study will be interview guide semi-structured in nature and will last about an hour.

1) Tell me about yourself
    a. What year are you?
    b. What is your major/minor?
    c. How did you decide to go to college?
    d. How did you decide on this institution and major?
2) How are you paying for college?
    a. Describe the financial resources available to you (savings, parental contribution, job, grants, scholarships, loans).
    b. Describe the costs of your education (tuition, books, fees, rent, transportation, food).
    c. How does your financial resources compare to the costs of your education (what is the gap between them)?
        i. What resources have you used to address this gap between your financial resources and educational expenses?
3) What influenced you to get your first credit card?
    a. What types of expenses did you plan to pay with it?
    b. What types of expenses do you pay with it?
        i. How do you describe these expenses (i.e. educational, recreational, emergency)?
    c. How do you pay the bill?

d. Describe for me a typical month of educational expenses that you purchase with your credit card.

    a. How is this a typical month or these typical purchases?

    b. How do you define "educational expenses?"

4) Describe the impact of using credit cards on your academic experience.

    a. How has your credit card use affected decisions such as credit hour load, whether to work while in school, or decision of major?

    b. Describe how using a credit card while in college will have an impact on your future.

        a. How will you continue to use credit cards?

        b. How will you use credit post-graduation?

5) We are at the conclusion of our discussion and I would like to give you an opportunity to share any comments you have about the topics we have discussed or anything we haven't discussed that you would like to share.

APPENDIX C: PARTICIPANT RECRUITMENT FLYER

Are you a XXX undergraduate and using a credit card to pay your college expenses?

Tell me YOUR story!

UGA Ph.D. Candidate seeking interview participants & offering $5 Gift Card

Contact me today at xxx

APPENDIX D: EXAMPLE OF CODING

Students' comments regarding their various expenses while in college were combined into a larger code simply called "Expenses." The Expenses code is made up of the following subcodes:

Expenses - Describing expenses/Examples of expenses/ Describing expenses/Expenses are typical/ Can reduce expenses/ Semester and monthly expenses/Consistent expenses/Buying books/ Books are major expense/ Uses credit for books/Parents can't help him buy books/Underestimated cost of books/ Credit card for books/ Books are really expensive/ Credit card for books and supplies/ Books not too expensive/ Books are expensive/ Have to buy online access to quizzes/Spending on food/ Spends on food and entertainment/ Food is biggest expense/ Used credit card for gas and food/ Parents allow gas and food charges/ Food and gas are main expenses/ Uses credit for food and gas/ Utilities and gas are expenses/ Biggest monthly expense is gas/ Was on meal plan but ate out on credit card/Quit meal plan and cut eating out/ Extra expenses/Professors add on extra expenses/ Borrow things to ease expense/ Pays own tuition and expenses/ Paying for tuition/Costs are covered/ First two years scholarships and grants covered all expenses/ No unmet financial need/ Was on meal plan/Lived on campus and on meal plan/Meal plan was better quality/ Meal plan mostly for on-campus students/ Would like to get off meal plan/ Meal plan is paid in advance/ On meal plan

The Expenses code was later combined into the "College as Investment" code to create the theme "College as investment and expense."

APPENDIX E: PARTICIPANT CONSENT FORM

I, _________________________________, agree to participate in a research study titled " College on credit: A case study of college student use of credit cards to finance a college education " conducted by Jennifer H. Nabors from the Institute of Higher Education at the University of Georgia (542-3464) under the direction of Dr. Libby V. Morris, University of Georgia. I understand that my participation is voluntary. I can refuse to participate or stop taking part without giving any reason, and without penalty or loss of benefits to which I am otherwise entitled. I can ask to have all of the information about me returned to me, removed from the research records, or destroyed.

The reason for this study is to investigate how college students use credit cards to bridge the gap between financial resources and college expenses. If I volunteer to take part in this study, I will be asked to do the following things:

1) Participate in a one-hour interview with researcher, which will be audio taped
2) Participate in a one-hour follow-up interview with researcher if needed
3) Review interview session transcript(s) or summary and final report if I would like to do so

No risk or less than minimal risk to participants is expected in this study. Participants can pause or stop the interview if they experience emotional distress. Participants will benefit by having an opportunity to discuss student credit card use to finance their educations and the impact using credit cards to bridge the gap between financial resources and college expenses has on their academic experience. At the conclusion of the interview the researcher will give me a $5 gift card. This study has the possibility to influence future research and literature in the field on understanding students using credit cards to bridge the gap between financial resources and college expenses and the impact of such use on the students' college experience.

No individually-identifiable information about me, or provided by me during the research, will be shared with others. I will have full confidentiality in transcripts, the final report and any presentations on this study. Audio tapes from the interview session(s) will be transcribed by the researcher, stored in a locked safe at the researcher's home during the study, and then destroyed by the researcher post-study. No one will have access to these tapes except the researcher.

The investigator will answer any further questions about the research, now or during the course of the project.

I understand that I am agreeing by my signature on this form to take part in this research project and understand that I will receive a signed copy of this consent form for my records.

Jennifer Nabors	________________________	__________
Name of Researcher	Signature	Date

Telephone: _________

Email: __________

__________________________	________________________	__________
Name of Participant	Signature	Date

Please sign both copies, keep one and return one to the researcher.

Additional questions or problems regarding your rights as a research participant should be addressed to The Chairperson, Institutional Review Board, University of Georgia, 612 Boyd Graduate Studies Research Center, Athens, Georgia 30602-7411; Telephone (706) 542-3199; E-Mail Address IRB@uga.edu