



Economic Development and Quality of Life for People and Communities

Credit Management for College Students

Issue

According to the July, 2002 Nellie Mae study, Undergraduate Students and Credit Cards: An Analysis of Usage Rates and Trends, 83 percent of undergraduates attending four-year institutions possess at least one credit card. Credit card companies frequently market their products to students and credit is readily available to students at the University of Arizona, resulting in a rise in personal debt. Little is done to provide students with personal financial education to ensure that the students have the basic money management skills necessary to manage credit wisely. Undergraduates in the 2000 Nellie Mae analysis carried an average credit card balance of \$2,748, up from an average of \$1,879 in the 1998 study.

What has been done?

It is obvious that credit problems for college students are a serious problem that will only get worse. To provide assistance to those already in trouble and to prevent others from following in the same path, Credit-Wise Cats (named after the University of Arizona Wildcats) was created as a student-run organization providing financial education to University of Arizona students and faculty. This project was started through the SIFE Team and with funding from Credit Counselors of America has grown to include workshops, one-on-one counseling, scholarships, a case study competition and the development of a 300-level personal finance class at the university. Three main components include:

Funding

Credit Counselors of America

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Credit-Wise Cats Educational Workshops

In the 2001/2002 school year, the Credit-Wise Cats program was developed with the intention of educating as much of the university population as possible on the wise use of credit as well as overall good budgeting and money management skills. This task was accomplished by providing faculty and students the opportunity to attend informational workshops on money management and credit cards as well as create a "financial fitness" competition that allowed individuals to work one-on-one with the counselors and receive a more detailed education on the previously mentioned topics. Through the course of the school year Credit-Wise Cats met with more than 800 students through workshops and one-on-one counseling sessions

Financial Fitness Competition

Students participating in the personal finance workshops were invited to participate in a financial fitness competition. The students established measurable financial goals and over the course of the academic semester attempted to achieve those goals. At a predetermined date the students' financial position was evaluated by the judging team based on how successfully they achieved their goals. Scholarships of \$2000, \$1000 and \$500 were awarded to the first, second and third place students for the 2001-02 academic year.

Consumer Issues Course

In the spring 2002 semester, a "Consumer Issues" course was introduced and offered to all students on campus; 60 students enrolled. This course was

designed around the Take Charge America program and was supplemented with guest speakers and experts in the field (Credit-Wise Cats even gave an informational workshop to the class).

Impact

Students participating in Credit Wise Cats activities reported a 33 percent increase in knowledge of credit and debt management; 82 percent plan to control spending and 88 percent intend to reduce their debt. Credit-Wise Cats was able to influence a large audience and provide a great deal of information to a very vulnerable group: 790 students were directly reached in 2002 through informational workshops, one-on-one conferences, the "Visa Wise Use of Credit Week" Speaker Series, and a Consumer Issues course emphasized on Take Charge America. Credit-Wise Cats was also very successful through the media. The program was featured in more than 10 articles in major local and statewide newspapers in 2002 with a population reach of over 400,000. Fifteen students enrolled in the Financial Fitness Competition. Testimonials from participants:

"This program has helped me better understand the choices I have with my spending."

"I never realized the importance of a credit report before I attended one of these sessions. I am going to order my report as soon as I get home!"

"I have been one of the counselors for two years and I have learned so much about my own habits. It has been very valuable."