

[Home](#) > [Journal of Family and Economic Issues](#) > [Article](#)

# Financial Knowledge and Credit Card Behavior of College Students

| Original Paper | Published: 08 May 2011

| Volume 32, pages 690–698, (2011) [Cite this article](#)

[Save article](#)

[View saved research](#) >



[Journal of Family and Economic Issues](#)

[Aims and scope](#) →

[Submit manuscript](#) →



[Cliff A. Robb](#) <sup>1</sup>

**6105** Accesses **128** Citations [Explore all metrics](#) →

## Abstract

This study examined the relationship between financial knowledge and credit card behavior of college students. The widespread availability of credit cards has raised concerns over how college students might use those cards given the negative consequences (both immediate and long-term) associated with credit abuse and mismanagement. Using a sample of 1,354 students from a major southeastern university, results suggest that financial knowledge is a significant factor in the credit card decisions of college students. Students with higher scores on a measure of personal financial knowledge are more likely to engage in more

responsible credit card use. Specific behaviors chosen have been associated with greater costs of borrowing and adverse economic consequences in the past.

 This is a preview of subscription content, [log in via an institution](#)  to check access.

Access this article

Log in via an institution →

Subscribe and save

☒ Springer+ from €37.37 /Month

- Starting from 10 chapters or articles per month
- Access and download chapters and articles from more than 300k books and 2,500 journals
- Cancel anytime

View plans →

Buy Now

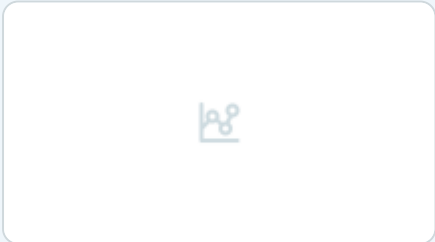
Buy article PDF 39,95 €

Price includes VAT (Poland)

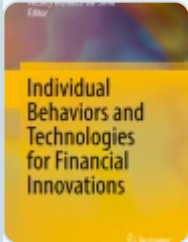
Instant access to the full article PDF.

[Institutional subscriptions](#) →

Similar content being viewed by others



College students and credit



Individual Behaviors and Technologies for Financial Innovations



Understanding credit card

## Explore related subjects

Discover the latest articles, books and news in related subjects, suggested using machine learning.

[Behavioral Economics](#)

[Behavioral Finance](#)

[Consumer Behavior](#)

[Economic Psychology](#)

[Prosocial Behavior](#)

[Social Behavior](#)

## References

Ausubel, L. (1991). The failure of competition in the credit card market. *American Economic Review*, 81(1), 50–81.

[Google Scholar](#)

Avard, S., Manton, E., English, D., & Walker, J. (2005). The financial knowledge of college freshmen. *College Student Journal*, 39(2), 321–338.

[Google Scholar](#)

Baum, S., & Sanders, D. (1998). Life after debt: Results of the National Student Loan Survey. *Journal of Student Financial Aid*, 28(3), 7–23.

[Google Scholar](#)

Borden, L. M., Lee, S. A., Serido, J., & Collins, D. (2008). Changing college students' financial knowledge, attitudes, and behavior through seminar participation. *Journal of Family and Economic Issues*, 29(1), 23–40.

[Article](#) [Google Scholar](#)

Braunsberger, K., Lucas, L. A., & Roach, D. (2004). The effectiveness of credit-card regulation for vulnerable consumers. *Journal of Services Marketing*, 18(5), 358-370.

[Article](#) [Google Scholar](#)

Braunstein, S., & Welch, C. (2002). Financial literacy: An overview of practice, research, and policy. *Federal Reserve Bulletin*, 88, 445-457.

[Google Scholar](#)

Bureau of Economic Analysis. (2008). Personal saving rate. Retrieved September 28, 2008, from <http://www.bea.gov/briefrm/saving.htm>.

Carswell, A. T. (2009). Does housing counseling change consumer financial behaviors? Evidence from Philadelphia. *Journal of Family and Economic Issues*, 30(4), 339-356.

[Article](#) [Google Scholar](#)

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

[Article](#) [Google Scholar](#)

College Board. (2009). Trends in college pricing. Retrieved July 8, 2010, from [http://www.trends-collegeboard.com/college\\_pricing/pdf/2009\\_Trends\\_College\\_Pricing.pdf](http://www.trends-collegeboard.com/college_pricing/pdf/2009_Trends_College_Pricing.pdf).

Collins, J. M. (2007). Exploring the design of financial counseling for mortgage borrowers in default. *Journal of Family and Economic Issues*, 28(2), 207-226.

[Article](#) [Google Scholar](#)

Credit Card Accountability Responsibility and Disclosure Act of 2009 (enacted), H. R. 627, 111th Cong., 1st Sess. (2009).

Cude, B. J., Lawrence, F. C., Lyons, A. C. Metzger, K., LeJeune, E., Marks, L., & Machtmes, K. (2006). College students and financial literacy: What they know and what we need to learn. *Proceedings of the 33rd conference of the Eastern Family Economics-Resource Management Association*, pp. 102-109.

Draut, T. (2005). *Strapped: Why America's 20- and 30-somethings can't get ahead*. New York: Doubleday.

[Google Scholar](#)

Feinberg, R. A. (1986). Credit cards as spending facilitating stimuli: A conditioning interpretation. *Journal of Consumer Research*, 13(3), 348-356.

[Article](#) [Google Scholar](#)

Fox, J., Bartholomae, S., & Lee, J. (2005). Building the case for financial education. *Journal of Consumer Affairs*, 39(1), 195-214.

[Article](#) [Google Scholar](#)

Gutter, M., & Copur, Z. (2011). Financial behaviors and financial well-being of college students: Evidence from a national survey. *Journal of Family and Economic Issues*, Online First. doi:[10.1007/s10834-011-9255-2](https://doi.org/10.1007/s10834-011-9255-2).

Haynes-Bordas, R., Kiss, D. E., & Yilmazer, T. (2008). Effectiveness of financial education on financial management behavior and account usage: Evidence from a 'second chance' program. *Journal of Family and Economic Issues*, 29(3), 362-390.

[Article](#) [Google Scholar](#)

Heller, D. E., & Marin, P. (Eds.). (2002). *Who should we help? The negative social*

*consequences of merit scholarships*. Cambridge, MA: The Civil Rights Project at Harvard University.

[Google Scholar](#)

Hilgert, M. A., Hogarth, J. M., & Beverly, S. G. (2003). Household financial management: The connection between knowledge and behavior. *Federal Reserve Bulletin*, 89, 309-322.

[Google Scholar](#)

Jones, J. E. (2005). College students' knowledge and use of credit. *Financial Counseling and Planning*, 16(2), 9-16.

[Google Scholar](#)

Kara, A., Kaynak, E., & Kucukemiroglu, O. (1994). Credit card development strategies for the youth market: The use of conjoint analysis. *International Journal of Bank Marketing*, 12(6), 30-36.

[Article](#) [Google Scholar](#)

Kidwell, B., & Turrisi, R. (2000). A cognitive analysis of credit card acquisition and college student financial development. *Journal of College Student Development*, 41(6), 589-598.

[Google Scholar](#)

Liebermann, Y., & Flint-Goor, A. (1996). Message strategy by product-class type: A matching model. *International Journal of Research in Marketing*, 13(3), 237-249.

[Article](#) [Google Scholar](#)

Lyons, A. C. (2004). A profile of financially at-risk college students. *The Journal of*

*Consumer Affairs*, 38(1), 56–80.

[Article](#) [Google Scholar](#)

Lyons, A. C. (2005). Financial education and program evaluation: Challenges and potentials for financial professionals. *Journal of Personal Finance*, 4(4), 56–68.

[Google Scholar](#)

Lyons, A. C. (2007). *Credit practices and financial education needs of Midwest college students*. Working Paper, 2007-WP-23. Indianapolis, IN: Networks Financial Institute, Indiana State University.

Lyons, A. C. (2008). Risky credit card behavior of college students. In J. J. Xiao (Ed.), *Advances in consumer financial behavior research* (pp. 185–207). New York, NY: Springer Publishing Company.

[Chapter](#) [Google Scholar](#)

Manning, R. D., & Kirshak, R. (2005). Credit cards on campus: Academic inquiry, objective empiricism, or advocacy research? *NASFAA Journal of Student Financial Aid*, 35(1), 39–48.

[Google Scholar](#)

Markovich, C. A., & Devaney, S. A. (1997). College seniors' personal finance knowledge and practices. *Journal of Family and Consumer Sciences*, 89(3), 61–65.

[Google Scholar](#)

Munro, J., & Hirt, J. B. (1998). Credit cards and college students: Who pays, who benefits? *Journal of College Student Development*, 39(1), 51–57.

[Google Scholar](#)

Nellie Mae. (2002). *Undergraduate students and credit cards: An analysis of usage rates and trends*. Retrieved September 15, 2006, from <http://www.nelliemae.com/library/research.html>.

Nellie Mae. (2005). *Undergraduate students and credit cards: An analysis of usage rates and trends*. Retrieved January 25, 2007, from <http://www.nelliemae.com/library/research.html>.

Norvilitis, J., & Santa Maria, P. (2002). Credit card debt on college campuses: Causes, consequences, and solutions. *College Student Journal*, 36(3), 356-364.

[Google Scholar](#)

Peng, T. M., Bartholomae, S., Fox, J. J., & Cravener, G. (2007). The impact of personal finance education delivered in high school and college courses. *Journal of Family and Economic Issues*, 28(2), 265-284.

[Article](#) [Google Scholar](#)

Pinto, M. B., Parente, D. H., & Palmer, T. S. (2001a). College student performance and credit card usage. *Journal of College Student Development*, 42(1), 49-58.

[Google Scholar](#)

Pinto, M. B., Parente, D. H., & Palmer, T. S. (2001b). Credit card solicitation policies in higher education: Does “protecting” our students make a difference? *Journal of College Student Development*, 42(2), 169-172.

[Google Scholar](#)

Ritzer, G. (1995). *Expressing America: A critique of the Global Credit Card Society*. Thousand Oaks, CA: Pine Forge Press.

[Google Scholar](#)



Robb, C. A., Moody, B., & Abdel-Ghany, M. (2011). College student persistence to degree: The burden of debt. *Journal of College Student Retention: Research, Theory, and Practice*, 13(3), in press.

[Google Scholar](#)

Robb, C. A., & Sharpe, D. L. (2009). Effect of personal financial knowledge on college students' credit card behavior. *Journal of Financial Counseling and Planning*, 20(1), 25-40.

[Google Scholar](#)

Robb, C. A., & Woodyard, A. S. (2011). Financial knowledge and 'best practice' behavior. *Journal of Financial Counseling and Planning*, 22(1), 36-46.

[Article](#) [Google Scholar](#)

Roberts, J. A., & Jones, E. (2001). Money attitudes, credit card use, and compulsive buying among American college students. *The Journal of Consumer Affairs*, 35(21), 213-240.

Sallie Mae. (2009). How undergraduate students use credit cards. Sallie Mae's National Study of Usage Rates and Trends. Retrieved January 10, 2010, from [http://www.salliemae.com/about/news\\_info/research/credit\\_card\\_study/](http://www.salliemae.com/about/news_info/research/credit_card_study/).

Scott, R. H., I. I. I. (2010). Credit card ownership among American high school seniors: 1997-2008. *Journal of Family and Economic Issues*, 31(2), 151-160.

[Article](#) [Google Scholar](#)

Soman, D., & Cheema, A. (2002). The effect of credit on spending decisions: The role of the credit limit and credibility. *Marketing Science*, 21(1), 32-53.

[Article](#) [Google Scholar](#)

Warwick, J., & Mansfield, P. (2000). Credit card consumers: College students' knowledge and attitude. *Journal of Consumer Marketing*, 17(7), 617–626.

[Article](#) [Google Scholar](#)

Willis, L. E. (2008). Against financial literacy education. *Iowa Law Review*, 94. Retrieved August 1, 2008, from <http://lsr.nellco.org/upenn/wps/papers/208/>.

Worthy, S. L., Jonkman, J., & Blinn-Pike, L. (2010). Sensation seeking, risk-taking, and problematic financial behaviors of college students. *Journal of Family and Economic Issues*, 31(2), 161–170.

[Article](#) [Google Scholar](#)

Xiao, J. J., Tang, C., Serido, J., & Shim, S. (2011). Antecedents and consequences of risky credit behavior among college students: Application and extension of the Theory of Planned Behavior. *Journal of Public Policy & Marketing*, forthcoming.

## Author information

---

### Authors and Affiliations

**College of Human Environmental Sciences, University of Alabama, 304  
Adams Hall, Box 870158, Tuscaloosa, AL, 35487, USA**

Cliff A. Robb

### Corresponding author

Correspondence to [Cliff A. Robb](#).

## Rights and permissions

---

[Reprints and permissions](#)

# About this article

---

## Cite this article

Robb, C.A. Financial Knowledge and Credit Card Behavior of College Students. *J Fam Econ Iss* **32**, 690–698 (2011). <https://doi.org/10.1007/s10834-011-9259-y>

Published

08 May 2011

DOI

<https://doi.org/10.1007/s10834-011-9259-y>

Issue date

December 2011

## Keywords

[College students](#)

[Credit cards](#)

[Financial knowledge](#)

## Search

Search by keyword or author



## Navigation

Find a journal

Publish with us

Track your research