



Student Credit Card Debt: Looking Beyond The Financial Issue

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This research explores the relationships between college student credit card knowledge, attitudes, and practices and reduced academic productivity. Missing class to handle financial problems or working extra hours to meet expenses-activities that compete with academic pursuits-were used as a proxy for reduced academic productivity, just as absenteeism and reduced attention to the job are assumed to reduce worker productivity. Reduced productivity, from financial mismanagement and related stress, affects an estimated 15% of the American workforce (Garman, 1999a). These costs are of consequence to employers and have implications for professionals addressing financial and work life issues.

Approximately two-thirds or more of all U.S. college students carry and use credit cards. A question of current interest centers on potential credit card use and abuse by college students. According to Murdy (1995), Rush (1995), and The Education Resources Institute (1998), the majority of college students who use credit cards do so responsibly to build a strong credit history. Other sources dispute these optimistic reports, noting multiple cards, high balances, payment problems, and a downward spiral associated with increasing hours of work to meet bills, declining grades attributed to class absences and stress, and in the worst case scenario, dropping out of college (e.g. Crenshaw, 1993; PR Newswire Association, Inc., 2000; Quinn, 1994; Seymour, 1999; Shenk, 1997). Others estimate that one-third of college graduates face troubles with credit usage, with 20% of all recent graduates potentially defaulting on their loan repayments (Markovich & DeVaney, 1997).

But why should employers, as well as other professionals who address financial and work life issues, care about college student credit practices? Until recently, issues of financial solvency were considered solely the domain of the individual and not the employer. However, it is now generally accepted that a significant inverse relationship exists between workers who exhibit many negative financial behaviors and employee productivity (Garman, Leech, & Grable, 1996; Williams, 1998). Of consequence is whether students who are exhibiting negative behaviors in college will continue to exhibit similar behaviors as employees.

If the answer is yes, then the implications for employers are potentially costly in terms of lost productivity and increased costs for benefits and employee assistance programs. Retention, a related concern of consequence to human resource professionals, was raised in HRToday. "In a competitive labor market it pays to offer personal finance programs above and beyond narrowly focused retirement education if you want to continue to attract and keep the best and the brightest" (Overby, 1998). Clearly this issue has implications for financial educators and practitioners in their diverse roles to promote financial stability and security over the life cycle. Likewise, the relationship between financial wellness and the overall well being of the household supports the contributions of family life and work life professionals to foster the continued development of functional household units. In summary, it is plausible to suggest that college student credit card debt issues extend beyond personal responsibility to the broader question of how that debt may impact the ability of the student to effectively function within the social and economic marketplace.

Thus, the purpose of this paper is to explore the financial attitudes, practices, and knowledge related to credit and debt usage that exist among college students, as reported in this research, and employees as reported in the literature. Do parallel problems and needs exist between current employees and college students, or the employees of the future? Although not directly addressed in this study, but considered in the discussion is a broader

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question. If there are parallel concerns, what interventions on campus, or in the workplace, might avert current and future productivity problems?

Background Review

Financial Problems and Productivity

Little research exists to document if and how student credit problems lead to increased absenteeism or reduced productivity in college. Although, there is a growing body of evidence to suggest that financial behaviors can impact employee productivity, both in time away from the job and time while on the job, little is known about student financial behaviors and productivity. It is estimated that work-life conflicts are the cause of nearly half of unscheduled work absences; absences that according to one study cost employers as much as \$1,044 per worker annually. According to that same study, worker absenteeism has recently shown a dramatic increase ("Work-Life Conflicts...", 1998).

Absenteeism is only one of several costs to employers attributed to poor financial behaviors. Other issues that lead to higher employee costs include tardiness, increased stress, increased work time wasted, reduced job productivity, reduced morale, higher health care and employee assistance programs costs, and higher theft and accident rates (Garman, 1999a; Overby, 1998). Sporakowski (1979) and Cash (1996) argue that financial problems often bring about stress and personal crises that go beyond issues of a pure monetary nature. They note significant relationships between financial problems and stress-related illnesses. Sporakowski concluded that financial problems ultimately influence a person's daily life functions, including interpersonal relations and job performance. As early as 1979, Brown estimated that 10% of employees suffered from money-related stress; in 1993 he estimated that 15% to 20% of employees likely had reduced work productivity due to financial stress (Garman, 1999a).

Garman, Leech, and Grable (1996) determined that as many as 15% of all American workers are losing productivity at work due to negative financial behaviors. Negative personal financial behaviors were defined as "personal and family money management practices that have consequential, detrimental and negative impacts on one's life at home and/or work" (p. 158). In other words, negative financial behaviors appear to decrease both the level of financial well being of individuals and the level of economic output through decreased employee effectiveness. For example, the loss at the U.S. Department of Defense has been estimated at \$1 billion annually (Kristoff, 1998). Garman (1999c) reporting on workers with credit delinquencies noted that "one-third

to one-half of such workers report that they spend time at work dealing with money matters, and such workers, on average, waste 20 hours a month" (p. 111).

If the argument that financial concerns may impact employee productivity is valid, is it possible that similar concerns, such as credit card use and student loans, may impact college students' academic productivity? Furthermore, it may be reasonable to assume that a pattern of reduced student productivity may result in a similar behavior pattern in the workplace. More research is needed to examine this proposition.

The Need for Financial Education

It is somewhat paradoxical that President Clinton convened the 1998 National Summit on Retirement Saving to highlight the need for financial education to increase savings for retirement, while at the same time the parents of college students were urging universities to offer more financial education to combat perceived problems with credit card usage among college students. As such, whether directed to the parents or the students, there is a clear need for financial education across the life cycle.

This need is exemplified by the following. First, little correlation has been found between formal education and financial literacy (Cutler, 1997). Second, it is estimated that the average American adult received 17 mail credit card solicitations during 1998 (A degree in debt, 1999), while nearly 75% of American families had at least one credit card (Dow Jones News Service, 2000). Further, credit card debt doubled between 1993 and 1997 to more than \$422 billion (Anders, 1999). By June 2000 total outstanding consumer credit (excluding mortgages) totaled \$1.456 trillion, including \$626 billion in credit card and unsecured revolving credit line debt (Dow Jones News Service, 2000). The intersection of these trends supports the need for an increased focus on financial education. Research confirms that changes in personal financial management practices do occur as a result of financial education (e.g., DeVaney, Gorham, Bechman, & Haldeman, 1995, 1996; Garman, Kim, Kratzer, Brunson, & Joo, 1999; Varcoe & Wright, 1991), suggesting that behaviors are elastic and changeable.

Methodology

This research was designed to develop a profile of financial behaviors and attitudes of college credit card users that may negatively impact their academic performance. In other words, the research question of interest was as follows: Is there a relationship between financial attitudes and behaviors and academic productivity, where class absenteeism and extra hours of

work are assumed to represent reduced productivity, or reduced time and attention for educational pursuits? A second objective focused on documenting the need for financial education to better enable students to handle their finances. Both of these issues parallel concerns prevalent among current workforce researchers.

Sample

Research data were obtained from a 1998-1999 survey of college students from 15 primarily public institutions in 9 southern and Midwestern U.S. states. Respondents voluntarily completed the survey before participating in a free financial education workshop. Responses ranged from 53% to 100% of workshop attendees. A total of 523 students responded, with a useable sample of 514. Responses were recorded directly on op scan readable forms. For 14 of the 15 institutions, students attended a corporate-sponsored educational seminar on the use of employee benefits to achieve financial goals. Engineering students were the target audience, although students from other majors attended. Workshops at the other institution focused on the use of employee benefits as well as other financial management topics.

Data Analysis

Data were analyzed using t-test, analysis of variance, and chi-square statistical tests. Where applicable, the assumption of equal variances was tested. The level of significance was set at .05.

Limitations

Readers are reminded to consider the profile of the sample when interpreting the results; respondents self-selected workshop attendance and study participation. Because of the workshop targeting, engineering students comprise 65% of the sample. No attempt was made to compare participants and non-participants as no records of workshop attendees were maintained. However, a number of the findings parallel those reported by other researchers of college student credit card practices. This consistency suggests that the findings may have limited generalizability, although the study is based on a convenience sample.

Variables Defined

Academic productivity Missing classes and working extra hours were used as a proxy for student academic productivity to parallel the measure of worker productivity, or absenteeism (Joo & Garman, 1998). Students who seldom, sometimes, or often missed classes "to handle financial problems or work extra hours to meet bills and expenses" were coded as 1; those who responded "never" were coded as 2. A quarter of the respondents (25.3%) had missed classes or worked extra

hours. These behaviors reflect time away from educational pursuits and are assumed to represent reduced academic productivity. Approximately 13% missed classes regularly, with 2% reporting "often" and 11% reporting "sometimes."

Debt/no debt In response to the question, "which of the following best explains WHY you now have credit card or other debt," 46% reported having no debt. Students reporting no debt were coded as 1 with the remaining 53% of the sample coded as 2.

Credit knowledge Five items, shown in Table 1, were used to measure credit knowledge. Correct responses ranged from 65% to 87%, with a mean score of 3.5 correct out of the 5 items, or 71% accuracy. To create the knowledge scale, correct responses of 2 to items 1 and 3 were recoded as 1, and the responses to all items were summed.

Table 1
Credit Knowledge Scale

	True n %	False n %
1. If a credit card account has a balance carried over from the previous month, interest charges usually begin on a new purchase one month after the due date. (N=486)	154	322
	32	68
2. The best indicator of the cost of a loan is the annual percentage rate. (N=486)	316	170
	65	35
3. State government sets the interest rate charged on major credit cards, like Visa. (N=487)	65	422
	13	87
4. Employers may check a potential employee's credit report during the hiring process. (N=487)	318	169
	65	35
5. It would take 12 years to repay a \$2,000 balance on a credit card that charges 18% interest, by making the minimum monthly payment of 3% and no additional charges. (N=473)	336	137
	71	29

Key: Items 2, 4, and 5 are true statements. Items 1 and 3 are false statements; correct responses of 2 were recoded as 1. For the knowledge scale, responses to all items were summed, with a range of 0 to 5. M = 3.5 or 71% accuracy.

Financial attitudes Financial attitudes of respondents were measured using ten items measured on a four-point Likert scale, where 1 equaled "strongly agree" and 4 equaled "strongly disagree." Responses were summed into an index, with a minimum possible score of 10 and

a maximum of 40. Items 1, 2, 3, 7, 9, and 10 were reverse coded to facilitate the development of the scale. The mean response was 29.76 ($s = 4.03$), where a higher score represented a more positive financial attitude. The reliability of the index was .70, indicating a sufficiently high consistency for an attitudinal measure (Pedhazur & Schmelkin, 1991). Responses are shown in Table 2.

Table 2. Financial Attitude Scale

	SA	A	D	SD
	n %	n %	n %	n %
1. I feel in control of my financial situation. (N=514)	233	219	54	8
	45	43	11	2
2. I am satisfied with the way I use credit cards. (N=503)	243	190	63	7
	48	38	13	1
3. I feel capable of using my future income to achieve my future financial goals. (N=514)	286	202	22	4
	56	39	4	1
4. My finances are a significant source of worry or "hassle" for me. (N=510)	40	141	215	114
	8	28	42	22
5. I am uncertain about where my money is spent. (N=511)	13	55	225	218
	3	11	44	43
6. Purchasing things is very important to my happiness. (N=509)	37	158	234	80
	7	31	46	16
7. I know how to compare different company benefits (e.g., insurance or retirement plans). (N=511)	37	126	237	111
	7	25	46	22
8. I am scared of credit and credit cards. (N=512)	19	53	221	219
	4	10	43	43
9. I feel capable of handling my financial future (e.g., buying insurance or investments). (N=512)	122	257	113	20
	24	50	22	4
10. I have a financial plan for my future. (N=513)	71	214	192	36
	14	42	37	7

SA=Strongly agree; A=Agree; D=Disagree; SD=Strongly disagree
Percentages may not equal 100 due to rounding.

Results

Demographic Profile of Sample

Students in the sample were, for the most part, typical of traditional undergraduate students. The average age reported was 22.74 years ($s = 4.16$). Sixty-two percent

were male. The majority (96%) were full-time students; 20% were members of an on-campus sorority or fraternity. Over 80% were enrolled in an engineering, business, or science degree program.

Most (70%) were White/Caucasian; however, 13% were Asian American, 4% were African American, and 4% were Hispanic. Native Americans, international students, and others comprised the remaining 9%. Most (87%) were single; only 4% reported financial responsibility for children. Nearly 55% estimated that their parents' gross 1998 household income exceeded \$60,000; however, when asked to indicate how much they anticipated earning after graduation, 81% estimated their income between \$25,000 and \$55,000 with 60% expecting to earn more than \$40,000.

Student Credit Card Profile

The majority of students (92%) reported having at least one credit card in their own name. Bank credit cards (e.g., Visa) were held by 91%, store credit cards (e.g., Sears) by 40%, and gas/oil credit cards (e.g., Texaco) by 18% of student respondents. Average cards per student were 2.25, 1.93, and 1.35, respectively, with an average of 3.3 total cards per student. For those students who indicated having at least one credit card, 65% paid their card(s) in full monthly, 23% paid more than the minimum monthly payment, and 7% paid the minimum payment only. Someone else (e.g., parent) paid the credit card bill(s) for the remaining 4%.

These findings are consistent with results presented by other researchers. The American Savings Education Council (ASEC) reported that 28% of students with a credit card roll over debt monthly (ASEC, 1998) as compared to approximately 30% of this sample. The Institute for Higher Education Policy reported that 59% of college credit card holders pay their bills in full each month (1998) as compared to 65% of students in this sample.

When asked "how much do you estimate you will owe on credit card, student loans, and other debts when you graduate," only 22% anticipated beginning their career free of debt, while 12% estimated owing \$25,000 or more. Recall that 46% of the sample reported no current debt, while the remainder offered an explanation of "why you now have credit card or other debt." When only those students with debt were considered ($n=270$), 41% stated that they used credit because their income, savings, and financial aid were insufficient to meet expenses. Charging major purchases was reported by 21%. Twenty percent reported using credit in anticipation of future

income. Only 9% reported they did not "track spending and probably spend more than I should."

Academic Productivity

The literature suggests that an employee with financial concerns will more likely miss work and perform at a decreased level of productivity (Garman, 1999a; Overby, 1998). Based on this sample, the same appears to be true for college students. The relationship between debt and academic productivity was statistically significant (Chi square = 22.36, $df = 1$, $p < .001$). Students who were in debt were more likely to miss classes to handle financial problems or to work extra hours to meet bills and expenses. Consistent with this finding, students who missed class reportedly had earned significantly ($t = 2.80$, $df = 360$, $p < .01$) more of their college expenses (50%) than the other students (38%). The estimated amount owed on credit cards, student loans, and other debts at graduation was significantly different (Chi square = 8.12, $df = 3$, $p < .05$).

Twice as many students who reported class absences (24% and 12%, respectively) anticipated owing \$25,000 or more.

Significant differences were not found in the use of personal or family resources (e.g., savings, full- or part-time employment), or aid that must not be repaid to pay education or living expenses. There was, however, a significant relationship between time away from academic productivity and ($t = 4.64$, $df = 1$, $p < .05$) the use of aid that must be repaid (e.g., federal, state, or other loans) after graduation.

Whereas no relationship was found between productivity and total credit limit, there was a significant relationship between productivity and the "normal" strategy for paying credit card bills ($t = 19.30$, $df = 3$, $p < .001$). Students who "never" missed classes were more likely to "pay the entire balance each month" or to have "parents or someone else pay the bill(s)."

Stress, associated with one's financial situation, has been associated with personal health concerns as well as daily functions on and off the job (Cash, 1996; Garman, 1999a, Sporakowski, 1979). Results from this sample of college students support this contention. Students who reported missing class for financial reasons had more negative financial attitudes, as measured by the summed attitude scale, ($t = -2.90$, $df = 497$, $p < .01$) than the other students ($M = 28.81$ and 30.01 , respectively.) Item analysis revealed that the two groups reported significantly different attitudes on 6 of the 10 statements. Students reporting absences were more likely not to feel

in control of their financial situation ($t = 2.30$, $df = 497$, $p < .01$) or be satisfied with their use of credit cards ($t = -4.02$, $df = 487$, $p < .001$). They were more likely to agree, "my finances are a significant source of worry or 'hassle' for me" ($t = -3.95$, $df = 495$, $p < .001$) and were more likely to be uncertain where their money was spent ($t = -2.90$, $df = 495$, $p < .01$). Students appear to have learned from their financial experiences. Those who reported class absences were more likely to know how to compare different company benefits ($t = -2.56$, $df = 495$, $p < .05$), and they were more likely to agree, "I am scared of credit and credit cards" ($t = -4.09$, $df = 496$, $p < .001$).

Attitude differences were also associated with debt level. Students who reported being in debt also indicated having more negative financial attitudes as measured on the summed attitude scale ($t = -2.90$, $df = 497$, $p < .01$) than students with no debt ($M = 29.04$ and 30.67 , respectively.) Item analysis revealed that the two groups reported significantly different attitudes on 3 of the 10 statements. Students with debt reported feeling less control of their financial situation ($t = -7.52$, $df = 503$, $p < .001$) and were more dissatisfied with their use of credit cards ($t = -9.04$, $df = 469$, $p < .001$). They were more likely to agree, "my finances are a significant source of worry or 'hassle' for me" ($t = 5.46$, $df = 494$, $p < .001$). As might be expected, students with debt had earned ($t = -2.34$, $df = 364$, $p < .05$) more of their college expenses (45%) than students without debt (36%).

Need for Financial Education

The need for financial education, primarily to promote savings for retirement, is a major concern in the workplace (Garman, 1999b). Based on results from this sample, there is a similar need for financial education among college students. Respondents, in general, appeared to lack minimal financial planning skills as reflected in their response to the attitude statements (see Table 2). For instance, 68% of students surveyed felt that they could not adequately compare company benefits, and 26% did not feel capable of handling their own financial future (e.g. buying insurance or investments). Fully 44% admitted not having a financial plan for the future. These findings are not surprising, given that 80% of respondents had not previously participated in a financial management course or workshop. Accuracy on the five-item credit knowledge score was 71%; however, no relationship was found between knowledge level and the individual attitudes using analysis of variance tests.

However, actual behavioral consistency between credit knowledge and credit practices is of concern. Most students (92%) reported having credit cards in their own

name, but 35% of the sample did not know that "employers may check a potential employee's credit report during the hiring process." Only 21% had reviewed their credit file. Thus, most students appeared to be using credit but few are responsibly checking their credit report to insure that accurate information is being reported.

Results revealed a relationship between knowledge and productivity. Students who missed classes for financial reasons scored significantly lower ($t = -2.04$, $df = 486$, $p < .05$) on credit knowledge than the other students ($M = 3.37$ or 67% accuracy and $M = 3.59$ or 72% accuracy, respectively). Knowledge was not related to having debt or the total credit limit reported.

Summary

As shown in Table 3, the findings from this study suggest that college students may, in fact, demonstrate similar behavioral patterns reflected by workers experiencing financial stress. According to the literature, approximately 15% of all American workers

are losing productivity at work as a result of negative financial behaviors or financial stress. Results of this sample of college students found that 25% reportedly missed class to handle financial problems or worked extra hours to meet bills and expenses, with 13% of this group reporting this behavior often or sometime. Furthermore, the presence of debt had a statistically significant impact on a student's willingness or ability to attend classes and work fewer hours. Students without debt were more likely to attend regularly.

The attitudes reported by students in this study suggest that they too could be experiencing reduced academic productivity as a result of their financial stress. For example, students having debt who also reported time away from class expressed significantly more negative financial attitudes than the other students. Of particular concern were attitudes related to control over the financial situation, satisfaction with the use of credit cards, and viewing finances as a significant source of worry or "hassle." Poor bill paying strategies have been identified as a negative financial behavior among employees (Garman, Leech, & Grable, 1996), but this behavior also appears to affect college students. Students who missed class for financial reasons were more likely not to pay the entire credit card balance each month.

Table 3
Summary of Relationships Considered and Findings Reported

Dependent	Independent	Findings
Academic Productivity: "I miss classes to handle financial problems or work extra hours to meet bills and expenses."	Currently have credit card or other debt after the last payment	Significant
	Percentage of college expenses earned	Significant
	Estimated debt level at graduation	Significant
	To pay education and living expenses, you or your parents used:	
	- own or family resources	Not significant
	- -aid which need not be repaid	Not significant
	- -aid which must be repaid	Significant
	Normal credit card payment method	Significant
	Total credit card limit	Not significant
	Financial attitude scale	Significant
Currently have credit card or other debt	Financial attitude scale	Significant
	Financial attitude item analysis	6 of 10 Significant
	Credit knowledge	Significant
	Financial attitude scale	Significant
	Financial attitude item analysis	3 of 10 Significant
	Percentage of college expenses earned	Significant
	Credit knowledge	Not significant

Credit knowledge	Financial attitude item analysis	Not significant
	Total credit card limit	Not significant

Finally, the results revealed a significant relationship between knowledge and productivity; students who missed classes for financial reasons demonstrated less credit knowledge. However, the entire sample scored only 71% accuracy on credit knowledge. This confirmed findings presented in other research. For example, Manning (undated), on the basis of a Consumer Federation of America study, asserted that nearly two-thirds of students did not understand what buying on credit really meant.

These findings suggest the need for financial education - whether provided by employers, financial educators, financial practitioners, or others. Knowledge of credit is fundamental to the management and use of credit as a financial tool.

Discussion

Absenteeism, tardiness, increased stress and wasted work time, are just some examples of reduced worker productivity attributed to increased costs for employers. Based on an analysis of student credit behaviors, financial attitudes, and class attendance, the data suggest that approximately 13% to 25% of the students in the sample had financial problems that potentially diminished their academic productivity. Assuming that a relationship exists between financial behaviors and employee productivity, it is plausible that these same students, if they move into the workforce without significantly changing their behaviors, may exhibit greater levels of absenteeism and lower productivity than other employees-costs of consequence to employers. This research offers no insight into the proposition that collegiate practices will continue in the workplace. However, based on these findings, this issue warrants further study. A continuation of the practice of using credit reports to screen employees is an obvious solution for anticipating which new hires may exhibit productivity problems. However, in a tight labor market, such as the one currently facing employers, the pool of available workers may make credit screening infeasible. Two other solutions might warrant consideration. Many companies spend significant funds on campus recruiting, attending career fairs, and giving away t-shirts, pizza, or other prizes. Companies should reevaluate their recruiting efforts and determine if they can afford not to recruit for retention, and more importantly support

educational avenues to promote employee wellness. Students, who voluntarily attend workshops on financial planning, debt management, benefit selection, and investment strategies, most likely have a longer-term focus than simply getting a job. These students may bear additional consideration, regardless of their credit history. An added benefit is collegiate financial education, which unfortunately is not broadly available on many campuses but should be. An employee education program to equip interns, new-hires, and current employees to better manage their money and other work life stressors is another feasible alternative.

Companies with exceptional benefits should note that 68% of students, as represented in this sample, do not know how to evaluate benefits. Therefore, companies with an excellent total compensation package could be perceived by students as paying below market salary. This may hamper recruitment efforts and compel management to mistakenly increase starting salaries to appear to be in-line with competitors. Rather than raising salaries or reducing benefits, companies should consider retaining financial professionals or better training recruiters to effectively present benefits as an important part of total compensation. These individuals should be capable of giving a detailed explanation of how to use benefits to achieve financial goals. For example, they should delineate how the company's matching 401(k) plan could build wealth in a plan for financial independence.

Since 78% of new graduate hires may have loans or credit card debt, based on the results of this sample, companies should also consider offering classes to inform new employees about selecting benefits, setting financial goals, and establishing a level of living, taking into account debt management and future loan repayment. Many student loans require payments to begin six months after graduation. During that six-month period, new hires may establish a standard of living based on their take home pay, without consideration for the loan repayment. Since only 20% of the students in this study indicated having any prior personal finance education, it is likely that they may not know how to plan and invest for their future, or how to accommodate debt in their budget. Coincidentally, many companies require several months of employment, often six, before the employee is eligible to participate in benefit plans. Once the loan repayment or benefit reductions begin, the change in disposable income may cause financial stress, which could lead to less than optimal job performance or daily functioning, as noted in the literature.

The worst-case scenario for the employer involves employees leaving to accept new jobs with signing bonuses and perceived higher salaries at competing organizations. If this occurs, the employer will have lost potentially valuable employees and a significant investment in training. In the worst case for the employee, associated costs of the job change and possible relocation may impact the ability to accomplish short-term (i.e., establishment of a household) or long-term (i.e., retirement) goals. Either way, these scenarios point to a need for financial education and perhaps practitioner involvement to develop and implement a plan for financial stability and security, both in the workplace and in college settings. Furthermore, work life issues related to stress, health and wellness might deteriorate quality of life and relationships without professional intervention.

In the current competitive job market, many companies are advancing the recruiting timetable to make career offers to interns as they return to complete their junior or senior year of studies. In light of increasing student debt, companies might wish to explore strategies for providing scholarships or low interest loans for those who contract to join the company. Overby (1999) notes that successful campus recruiting is built on a positive image and relationship management. To increase the percentage of interns who accept offers of a permanent position, intern training should incorporate a workshop on how to evaluate benefits and achieve personal goals by joining the company. These efforts could benefit the student while in school as well as the employee/employer relationship upon graduation.

In summary, the results of this research suggest that some college students are demonstrating similar reductions in academic productivity as attributed to their counterparts in the labor market. Whether those behavioral patterns will follow employees into the job market is beyond the scope of this study, but the issue is worthy of future research. However, one can only conjecture that without intervention, through education directed at helping students to better manage their finances, this pattern may well be repeated regardless of the increase in income from college to first job. As a reactive response, employers may simply develop better methods to screen the potentially unproductive students from the hiring pool, thus avoiding the problem in the short term. But the proactive approach demands attention to the need for cost-effective education and professional intervention on how to cope with financial and work life stressors. These efforts will better equip students, new hires, and other employees to be more productive throughout their work years, and ultimately benefit the employer.

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