



Back to School: Students “Ace” Financial Basics, but Continue to Give Themselves a “C” in Money Management

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U.S. Bank's Second Annual Student and Personal Finance Study Examines the Attitudes and Philosophies of Financial Literacy of High School and Undergraduate Students

MINNEAPOLIS--(BUSINESS WIRE)--Sep. 14, 2016-- School is back and in session and when it comes to financial literacy, students have confidence in the basics, but continue to give themselves a “C” when it comes to money management. These are the overall findings of the [2016 U.S. Bank Student and Personal Finance Study](#) which examines the attitudes and philosophies on financial education among high school and undergraduate college students ages 18 to 30 years old.

“This is the second year we have checked in with students to see how financially literate they are,” said Robyn Gilson, U.S. Bank Coach for Student Financial Education. “What we found is that students continue to know the basics like budgeting and savings – but when the conversation shifts to credit and investing, the grades drop. We want students to know it’s not too early to understand credit or how to make solid financial investments for their futures. It’s so important to start young.”

In the 2016 study, students report they feel knowledgeable about the basics of saving and checking accounts (42%) and about saving money in general (39%). But when it comes to their knowledge of understanding credit, there are a lot of misunderstandings. Most students (54%) incorrectly believe having too many credit cards can negatively impact their credit score and 44% incorrectly believe using checks and debit cards helps to build credit. And, less than half (46%) of students have checked their credit score.

“College is a good time to get your first credit card because establishing a strong credit history can set you up to get a loan for a major purchase – like a car – on your own once you start working, instead of relying on a parent to co-sign,” said Gilson. “We recommend using your credit card responsibly by paying for bills and everyday expenses – without overspending – and then paying off the balance in full on time each month.”

Beyond understanding credit, students also lack knowledge of investing money (15%) and how to save for retirement (11%). They also report a struggle to keep up with their day-to-date expenses, but they are getting a little bit better. Last year, 67% of students reported that they are barely keeping up in managing their daily finances, while this year that number improved slightly to 60%. And there are slight differences when it comes to gender. Male students report they are more comfortable and feel extremely prepared to meet their financial goals, describing themselves as ‘savers.’ Female students more often describe themselves as ‘spenders,’ feeling ‘not at all prepared’ to meet their financial goals.

The study also measured students’ views on what success looks like. Success to students doesn’t necessarily mean owning a home or having a high income. Most students cite personal happiness (72%) and health (66%) as very important measures of success in life, while home ownership (35%) and high income (23%) are considered less important.

Finally, students are not great at protecting their identity, despite being hyper-connected and tech-savvy. Though 57% keep their passwords a secret, 22% use passwords that are easy to remember and only 27% change them regularly. About 45% of students monitor their credit card account activity regularly and only 41% verify a business’ legitimacy before sharing financial or personal information with them.

As part of U.S. Bank’s dedication to financial education, students and parents can access advice, tools and resources on [Student Union](#). Students can also apply to win an up-to-\$20,000 scholarship for completing a series of short online personal finance courses covering credit, budgeting and more.

About the Student and Personal Finance Study

The 2016 U.S. Bank Student and Personal Finance Study was an online, quantitative survey of 1,615 high school seniors and undergraduates (ages 18 to 30 years old) to assess their financial literacy, concerns and goals in comparison to their parents. The survey was conducted in May.

About U.S. Bank

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