

Financial Education Needs of Community College Students

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Abstract

Recent studies have focused on investigating the credit usage and other financial practices of students attending four-year colleges and universities (Armstrong and Craven, 1993; Xiao, Noring, and Andersen, 1995; The Education Resources Institute and the Institute for Higher Education Policy, 1998; Hayhoe, Leach, and Turner, 1999; Joo, Grable, and Bagwell, 2001; U.S. General Accounting Office, 2001; Hayhoe, 2002; Lyons and Andersen, 2002; Staten and Barron, 2002; Baum and O'Malley, 2003; Lyons, 2004). Other studies have examined how financial education can help students attending four-year institutions become responsible financial consumers (Chen and Volpe, 1998; Doll, 2000; Pilcher and Haines, 2000; Varcoe et al., 2001; Weston, 2001; Lyons, 2003; Lyons, 2004). However, little attention has been given to investigating the credit usage and financial education needs of community college students.

This study is the first to collect quantitative and qualitative data from student leaders at community colleges throughout the state of Illinois to specifically examine the credit practices and financial education needs of community college students. The quantitative survey findings indicate that community college students have specific preferences for financial education and how that information should be delivered. Students prefer to receive information on issues related to financial assistance and on how to become responsible credit consumers. Students also prefer to receive financial education in one-on-one discussions, small group settings and from financial aid officers.

The qualitative findings reinforce the quantitative findings. Focus group discussions held with student leaders suggest that community college students need more financial information from their financial aid offices. A common theme was that financial aid information was not readily available on community college campuses, and students were not fully aware of their financing options. In addition to information on financial assistance, student leaders also wanted to know how to become responsible credit consumers. They expressed interest in preventive measures they could take to avoid credit problems and build good credit records. Students also expressed interest in learning about general credit concepts, establishing and maintaining a budget, and managing their finances responsibly. Students were very "forward thinking" with respect to their financial situations.

Campus administrators and financial professionals can use this information to develop programs and resources that specifically address the financial education needs of community college students. Appropriate financial interventions on community college campuses are needed to ensure that these students are not at a financial disadvantage to students attending four-year colleges and universities.

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