

The Financial Lives of College Students - US - January 2017

Report Price: £3239.54 | \$3995.00 | €3796.74

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"College students are typically just beginning their financial journey into adulthood. Their key financial behaviors are not yet established, and they are still looking for a more traditional banking experience. While interested in technology, mobile banking is still not the main method of bank transactions for college students."

Jennifer White Boehm, Associate Director - Financial Services

This report looks at the following areas:

- Student loan debt continues to rise
- Those under 25 are outspending their earnings
- Students are concerned about making enough to live on their own
- Portion of students do not feel appreciated by the financial services industry

Definition

This report focuses on the financial behaviors college students aged 18-23, as well as their attitudes towards money and finances.

For the purposes of this Report, Mintel has used the following definitions:

A college student is defined as one who is aged 18-23, enrolled full time or part time in a 2-year or 4-year college or university and may live on or off campus or attend classes online.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

The Financial Lives of College Students - US - January 2017

Report Price: £3239.54 | \$3995.00 | €3796.74

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

The issues

Student loan debt continues to rise

Figure 1: Total student debt, Q1 2010-Q3 2016

Those under 25 are outspending their earnings

Figure 2: Average income and average expenditures, by age, 2015

Students are concerned about making enough to live on their own

Figure 3: Top two financial concerns of college students, October 2016

Portion of students do not feel appreciated by the financial services industry

Figure 4: Financial institution interest in college students, October 2016

The opportunities

There is an interest in investing

Figure 5: Interest in learning more about investing, October 2016

Students are looking for a traditional banking experience

Figure 6: Importance of having a bank branch near home, October 2016

In valuing personal time, show how savings can enhance personal experiences

Figure 7: Importance of having a lot of money, by gender, October 2016

Highlight the uniqueness of young financial customers

Figure 8: How older iGens and Millennials see themselves, February 2016

What it means

The Market - What You Need to Know

There are more than 20 million college students in the United States

Female students outnumber males

Students have borrowed an average of over \$8,000

Consumers under 25 are outspending their income

Market Breakdown

Over 20 million college students in the United States

Figure 9: Projected enrollment* at postsecondary institutions, 2016-2024

More college students are full time

Figure 10: Projected enrollment* at postsecondary institutions, by attendance status, 2016-24

Female students outnumber males

Figure 11: Projected enrollment* at postsecondary institutions, by gender, 2016-24

More than half of college students are White, followed by Hispanic

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

The Financial Lives of College Students - US - January 2017

Report Price: £3239.54 | \$3995.00 | €3796.74

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 12: Projected enrollment* at postsecondary institutions, by race and Hispanic origin, 2016-24

Market Factors

Outstanding student loan debt over \$1.2 trillion in 2016

Figure 13: Total student debt, Q1 2010-Q3 2016

Students have borrowed an average of over \$8,000

Figure 14: Role of various borrowed funding sources, 2016

College graduates earn more after graduation

Figure 15: Median annual wages for workers with high school diploma vs bachelor's degree, Jan. 2011- Jan. 2015

Consumers under 25 are outspending their income

Figure 16: Average income and average expenditures, by age, 2015

Key Players – What You Need to Know

One third of students don't feel appreciated by financial institutions

DOE adds new regulations to help students

What's Working?

College students are interested in learning about investing

Acorns

Students are confident in their ability to manage their own finances

Ally's "Splurge Alert"

Figure 17: Ally "Splurge Alert" email, April 2016

DOE adds new regulations to help students

CFPB releases safe student account scorecard

What's Struggling?

Students are worried about making enough to live on their own

One third of students don't feel appreciated by financial institutions

Only half of students trust the banking industry

Students not interested in nontraditional banking alternatives

What's Next?

Student loan debt continues to rise

Should colleges adopt a fiduciary standard?

Companies offering innovative ways to pay down student debt

Future Fuel

PNC RepayReady

Volunteer to pay down loans

Snapchat looks to use its technology for robo-advising

The Consumer – What You Need to Know

Only half trust the banking industry

Most college students have a checking and/or savings account

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

The Financial Lives of College Students - US - January 2017

Report Price: £3239.54 | \$3995.00 | €3796.74

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Students understand the importance of starting early
 Students are still looking for a traditional bank branch experience
 Money is for security, but not at the expense of personal time or happiness
 Investing is still somewhat of a mystery

Account Ownership

Most college students have a checking and/or savings account

Figure 18: Financial account ownership, October 2016

Majority of students have their own account

Figure 19: Financial account ownership, October 2016

College students more likely to have credit than prepaid

Figure 20: Financial account ownership, October 2016

Financial Behaviors

Students are actively monitoring their finances

Figure 21: Banking behaviors, monitoring finances, October 2016

Debit used more often than credit

Figure 22: Banking behaviors, debit card preference, October 2016

Mobile banking remains popular with college-aged consumers...

Figure 23: Download and use of mobile banking app, by age, June 2016

...but mobile is not their main method of banking

Figure 24: Banking transactions via mobile or bank website, October 2016

More than half are able to save on a monthly basis

Figure 25: Banking behaviors, monthly savings, October 2016

What are Students Paying for?

One third of students share college expenses with parent/guardian

Figure 26: Who pays for college expenses, October 2016

Most students are paying for their own entertainment while at school

Figure 27: Who pays for entertainment expenses, October 2016

Philadelphia Federal Credit Union "Enjoy a Bite to Eat" offer

Figure 28: PCFU "Enjoy a bite on us" direct mail, August 2016

Attitudes toward Money

Money is for security, but not at the expense of personal time or happiness

Figure 29: Importance of having a lot of money, by gender, October 2016

Family is more a trusted financial source than friends

Figure 30: Importance of having a lot of money, by gender, October 2016

Most college-aged consumers not recommending financial services providers

Figure 31: Likelihood to recommend financial services provider, among 18-24s, January 2015

Attitudes toward Finances

Students understand the importance of starting early

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

The Financial Lives of College Students - US - January 2017

Report Price: £3239.54 | \$3995.00 | €3796.74

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 32: Importance of starting to save early in life, October 2016

Students are confident in their ability to manage their own finances

Figure 33: Confidence in managing day-to-day finances, October 2016

Students express a preference for debit over credit

Figure 34: Using and managing debit or credit cards, October 2016

Investing is still somewhat of a mystery

Figure 35: Opinion of investing in the stock market, October 2016

Most are interested in learning more about investing

Figure 36: Interest in learning more about investing, October 2016

Where do Students Want to Bank?

Students are still looking for a traditional bank branch experience

Figure 37: Importance of having a bank branch near home, October 2016

Mixed opinions on new banking alternatives

Figure 38: Opinion on alternative banking options for ease-of-use, by gender and race, October 2016

Figure 39: Ally Bank ad, "We're just like you", December 2016

Trust and satisfaction levels with their personal FSI are high

Figure 40: Satisfaction with bank/credit union, October 2016

Students do not want extra correspondence from their FSI

Presence of adviser at bank/credit union is appreciated

Attitudes toward the Banking Industry

Only half trust the banking industry

Figure 41: Trust in banking industry, by gender, October 2016

One third don't believe FSIs value college students' business

Figure 42: Financial institution interest in college students, October 2016

What Happens After Graduation?

Making enough money is a top concern

Figure 43: Top two financial concerns of college students, October 2016

Figure 44: Top five financial concerns of college students, October 2016

Students not concerned about investing and insurance yet

Figure 45: Investment and insurance financial concerns, October 2016

More than a third already thinking about home, graduate school savings

Figure 46: Savings and loan payment financial concerns, October 2016

Figure 47: Discover student loan direct mail (statement mailing), November 2016

Appendix – Data Sources and Abbreviations

Data sources

Consumer survey data

Direct marketing creative

Abbreviations and terms

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

The Financial Lives of College Students - US - January 2017

Report Price: £3239.54 | \$3995.00 | €3796.74

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Abbreviations

Appendix – The Market

Figure 48: Projected enrollment* at postsecondary institutions, by control of institution, 2016-24

Figure 49: Enrollment* of international students at postsecondary institutions, by country of origin, 2005 and 2015

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com