

A Survey Study on Financial Literacy of College Students in the Selected Colleges in China

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Abstract: The cultivation of college students' financial literacy has a crucial impact on their future life. This paper investigates the current situation of financial literacy among college students in some Chinese Colleges from three aspects: financial concepts, financial knowledge, and financial behaviors. The paper also analyzes the results and puts forward some suggestions on this basis.

Keywords: Financial Literacy; Survey Study

1 Introduction

Financial literacy is a critical life skill that is essential for promoting personal and business financial health, cultural development and economic growth (Huseyin, 2011; Plakalovic, 2012). As the cost of living increases, there is a growing need and urgency to strengthen personal financial education, which helps to ensure with knowledge and skills related to financial planning in order to make informed financial decisions that will have a positive impact on the future (Garg and Singh, 2018).

College students often face financial problems for the first time when they enroll in school and need to manage money independently, which may lead to difficulties in making important financial decisions (Garg and Singh, 2018). In China, the rise of the Internet has changed people's life and consumption patterns, and the college student population is an avid consumer of Internet finance. However, college students use the Internet for investment and finance management and credit consumption more frequently, and incidents of college students falling into online loan crises occur from time to time. Garman and Forgue (2010) believe that young people should equip themselves with basic knowledge of financial education, financial management, savings, investment, retirement, wills, insurance, loans, and personal finance in order to better plan and make decisions about their future lives. So what is the current status of financial literacy among Chinese college students, and what are the problems that need to be solved urgently? In this paper, some students in higher vocational colleges have been chosen to conduct a research. The paper aimed to understand the current financial literacy of college students, and to provide a reference basis for subsequent research.

2 Methodology

2.1 Research Design

This paper utilized the methods of literature research and questionnaire survey, referring to previous research results, combined with the evaluation system of the Program for International Student Assessment (PISA) for youth financial literacy in 2018, and referred to the questionnaires on consumer financial literacy released by the People's Bank of China in 2021. By screening and organizing this information, the questionnaires were designed for senior students' financial literacy in the Internet

financial environment. The questionnaires centered on the core concept of financial literacy and covered three aspects of students' financial literacy understanding, financial literacy knowledge (including financial literacy), and financial literacy behaviors (e.g., consumption, saving, investment, etc.). In addition, the questionnaires specifically included information about students' awareness of the risks of Internet financial lending and borrowing in order to comprehensively assess the level of financial literacy of students in higher vocational colleges and universities in the context of Internet finance.

2.2 Sampling Design

The samples come from the students enrolled in three higher vocational colleges in Zunyi City, China (Zunyi Vocational and Technical College, Guizhou Aerospace Vocational and Technical College, and Zunyi Medical And Pharmaceutical College). This paper mainly focuses on the freshmen, sophomores, and seniors, with a wide range of students' majors covered, and with purposive and judgmental sampling by each school in a different grade level. The questionnaires were distributed in finance and economics majors and non-finance majors, and a total of 2,000 questionnaires were distributed, of which 1,895 were valid questionnaires, with a recovery rate of about 95%.

2.3 Measurement and Evaluation

This paper used IBM SPSS Statistics 25 software for data statistical analysis. The relevant options in the questionnaire set mainly refer to the existing literature and the questionnaire of the People's Bank of China on consumer financial literacy in 2021, and expert validation as well as student pre-testing were conducted before the research, to ensure that the questionnaire questions were standardized and effective. Combined with the purpose of this paper, the author focuses on the descriptive statistical analysis of the obtained research data, in order to observe the financial literacy status of college and university students at this stage.

3 Data analysis and results

After recovering the questionnaires, it found that the total number of interviewed students is 1895, including 558 male students and 1337 female students. The number of students majoring in financial management is 662, accounting for 34.9% of the overall sample, and the total number of non-financial management students is 1233, accounting for 65.1%. Through data

collation and analysis, this paper will analyze the three aspects of financial literacy cognition, financial literacy knowledge (financial literacy), and financial literacy behavior (consumption, saving, investment and other behaviors), and find that the current situation of financial literacy of students in the three higher vocational colleges and universities has the following characteristics.

3.1 Financial literacy concepts

3.1.1 Misconceptions of money and wealth among some students

A healthy and positive view of money and wealth is crucial to the growth and development of students. A bad view of money and wealth may lead students to make wrong decisions, while excessive worship of money may easily be tempted by money, and may deviate from the right direction in financial decision-making and other behaviors, which may lead to adverse consequences and seriously affect the physical and mental health of students. The survey data shows that 70.9% of the students chose “money is only a tool, it does not mean everything” in the question of “knowledge of money and wealth”, which indicates that most of the students can look at money and wealth objectively. However, 28.5% of the students still think that “money is omnipotent”, “money is a symbol of status and position”, “money makes the devil work”, etc., and another 28.5% of the students think that “money is evil”. The proportion of students who think that “money is sinful” is 0.6%, which means that the students who hold a negative attitude towards money and wealth are very few. It can be seen that a part of the students in the cognition of money and wealth excessive worship, gold-digging obvious, not yet able to correctly and rationally view the money and wealth, values have deviated.

3.1.2 Weak awareness of investment and financial risks and polarization of risk awareness of Internet financial lending

As it can be seen from Table 1, 43.54% of the interviewed students have a positive attitude towards Internet financial lending behavior, saying “Not Rejecting”, while 44.85% of the interviewed students have a negative attitude, saying “Firmly Resist”. Another 33.3 students said they were “Not Realize” about Internet Financial Lending. In Table 2, about 90% of the students think that Internet financial lending is risky, of which 40% think that it is very risky and 8.8% think that it is very moderately risky, while 41.2% think that it is little risky and 10% think that it is not risky. As it can be seen from the data of these two charts: Whether it is the attitude towards Internet financial lending or risk awareness, there are two extreme reactions of higher vocational students, one is very accepting of Internet financial lending behaviors, and its risk awareness is inclusive, while the other group of students is very opposed to Internet financial lending, showing a high degree of vigilance of risk awareness, which can be described as “talking about lending is a big deal!”.

Table 1 Attitudes Towards Internet Financial Lending

Posture	Frequency	Percentage
Firmly Resist	850	44.85%
Like to Use	47	2.48%
Not Rejecting	825	43.54%
Not Realize	631	33.3%

Table 2 Perceived Risk of Internet Financial Lending and Borrowing

Options (as in Computer Software Settings)	Frequency	Percentage
It's Very Risky.	758	40%
Medium Risk	167	8.8%
Little Risk	780	41.2%
Risk-Free	190	10%

3.2 Financial knowledge

Based on the references to the previous related studies, the questionnaires were designed to carry out a comprehensive examination of the financial literacy of higher vocational students in the following areas: The calculation of single and compound interest; the cognition of inflation; the ability to obtain price information of financial products and recognize the terms of economic contracts. Less than 40% of the interviewed students answered the questions correctly, with the correctness rate of financial management students slightly better than that of non-financial management majors, and most of the students indicated that they did not know what the inflation rate was. For example, in the question on bank savings (about the sum of principal and interest after 5 years of automatic transfer of the year-end balance), 66% of the students did not know how much money they could recover in the future. Poor performance was observed in the answers to the information about the prices of financial products, as well as in the information about the identification of the terms of economic contracts. It can be seen that higher vocational students pay little attention to knowledge about financial business, especially for non-financial management majors, who have even less exposure to financial basics and whose financial knowledge is even weaker.

3.3 Financial Behavior

3.3.1 Wealth creation

The financial intelligence behavior of higher vocational students mainly includes the creation, management and application of their wealth. The questionnaire observes the financial intelligence behavior of students by investigating the investment and financial management activities and consumption behaviors of students in higher vocational schools. Higher vocational students generally have not yet realized economic independence, but have a strong desire to create wealth, and some of them have already had a little investment and financial activities. As shown in Table 3.

Table 3 Students' Investment and Financial Management Activities

Options(asin Computer Software Settings)	Frequency	Percentage
Bank Savings	1363	71.90%
Internet Financial Management	616	32.51%
Banking Products	79	4.17%
Speculation in Stocks, Funds, Futures, etc.	46	2.43%
Buy a Lottery Ticket	182	9.60%
Private Lending for Interest	35	1.85%

More than 70% of the students chose bank savings in the question «What investment and financial management activities have you carried out», indicating that the vast majority of students

use bank deposits for property management, while about 30% of the students use Internet financial platforms to carry out financial management, such as putting the remaining funds into the balance of treasure, WeChat Wealth Management, Tencent Caiyuitong, Suning Zero money treasure and other online platforms for investment and financial management, about 10% of students have purchased lottery tickets, while about 4% of students have purchased bank financial products, and 2.4% of students have tried speculation in stocks, funds, futures and other investment behaviors. It can be seen that higher vocational students preferred the lowest-risk bank savings in investment and financial management activities, followed by financial management activities on Internet funding platforms, and fewer financial management activities that require certain skills

in investment and financial management knowledge.

3.3.2 Wealth utilization

College students' use of wealth is mainly reflected in daily consumption expenditure, which mainly focuses on diet, learning-related supplies, mobile phone communication, clothing and cosmetics, entertainment and leisure, as shown in Table 4. The use of funds is in line with the characteristics of daily consumption of college students. However, some students said that due to the lack of a certain plan for consumption, consumption overspending often occurs, resulting in borrowing money or Internet borrowing and falling into debt difficulties.

Table 4 Use of wealth: student consumption

Consumption items	Number of cases	Percentage	Percentage of cases
What are your daily consumption expenses? (Food and Drink)	1853	28.7%	97.8%
What are your daily consumption expenditure items? (Recreation and Leisure)	653	10.1%	34.5%
What are your daily consumption expenses? (Clothing or Cosmetics)	1012	15.7%	53.4%
Your daily consumption expenditure items? (School-related Supplies)	1278	19.8%	67.4%
What are your daily spending expenses? (Relationships)	118	1.8%	6.2%
Your daily consumption expenditure items? (Cell Phone Communication)	1165	18.0%	61.5%
What are your daily spending expenses? (Travel)	95	1.5%	5.0%
Your daily consumption expenditure items? (Other)	292	4.5%	15.4%
(Grand) Total	6466	100.0%	341.2%

4 Conclusions and Recommendations

4.1 Conclusion

In the survey on the financial literacy status of students in three higher vocational colleges in Zunyi City, China, the level of students' financial literacy is still not optimistic: First, there are certain misunderstandings about money and wealth; Second, there is a strong willingness to invest in finance, but the knowledge of investment and finance is very weak; Third, the consumption habits are more casual, lack of planning, and have not yet formed a healthy and good consumption habit; Fourth, there is polarization in the understanding of the risk of Internet financial lending and investment risk in the understanding of investment and finance risk, the blind pursuit of high returns.

4.2 Recommendations

The problems revealed by the results of the survey on the financial literacy status of students enrolled in three higher vocational colleges in Zunyi, China, really need to be brought to the attention of all sectors of society. The following are some of the measures that can be taken to address these issues:

1) Strengthening the curriculum of financial education: Schools

should offer courses related to financial education, systematically teach financial knowledge, financial management skills and consumption concepts, and help students establish a correct view of money and wealth.

2) Promoting financial education resources: Utilizing diversified channels such as the Internet, libraries and community resources to provide financial education materials to facilitate students' independent learning.

3) Establishment of sound financial risk education: Strengthening the education of students on the risks of Internet financial lending and the risks of investment and wealth management, and improving their risk-recognizing and preventive abilities.

4) Policy support and guidance: The government and relevant departments should introduce policies to encourage and guide schools and social forces to carry out financial education for students.

To summarize, enhancing the financial literacy of higher vocational students is a systematic project, which requires the joint efforts of the government, schools, families, society and other parties to form a synergy through a variety of ways and means to jointly promote the enhancement of financial literacy of higher vocational students.

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