

# STUDENT MONITOR

CUSTOM AND SYNDICATED MARKET RESEARCH IN THE COLLEGE MARKET



## FINANCIAL SERVICES - Spring 2021

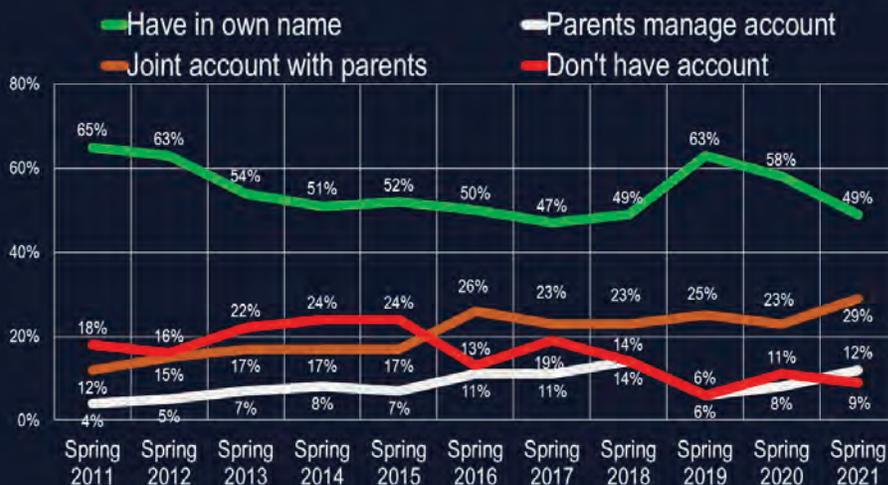
Drawn from the Spring 2021 edition of STUDENT MONITOR's annual FINANCIAL SERVICES Study, these findings are based on the results of hour-long, one on one, on campus and virtual interviews conducted during the three week beginning March 15th among 1,192 Four Year full time undergrads attending representative colleges and universities throughout the country with a margin of error of +/-2.4%.

### Have A Checking Account

The share of students with a checking account has increased from 82% in 2011 to 91% this year.

While those with as checking account in their own name declined from 58% last year to 49% this year, this year's incidence is consistent with that of 2018's finding.

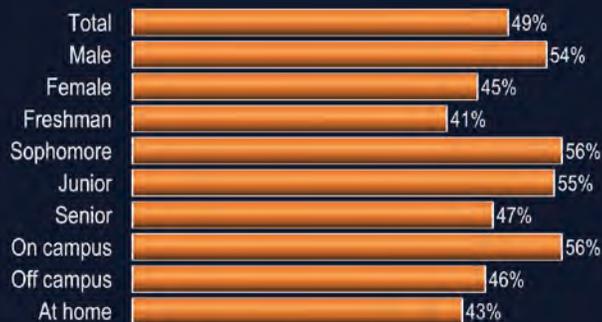
### Have A Checking Account - Tracking



### Have Checking Account In Own Name

49% have a checking account in their own name.

Ownership is higher among males and students living on campus. Sophmores and Juniors report a higher incidence of having a checking account in their own name than Freshmen or Seniors.



### Checking Account In Own Name - Tracking

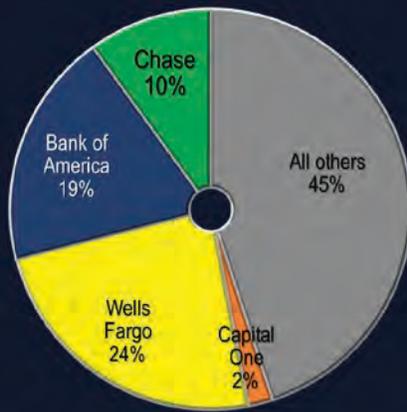
With the exception of 2019 and 2020, over the longer term, the share of students with a checking account in their own name had declined somewhat from 54% in 2013 to 49% this year.



## “Where do you have the checking account in your own name?”

55%, (56% last year), with a checking account in their own name have a Chase, Bank of America, Wells Fargo or Capital One checking account. Over the longer term and particularly this year, Wells Fargo’s share of student checking accounts in their own name has increased somewhat at the expense of the three other leading banks.

Where Students Their Checking Account



Where Students Have Their Checking Account - Tracking -



## “When did you open the checking account you have in your own name?”

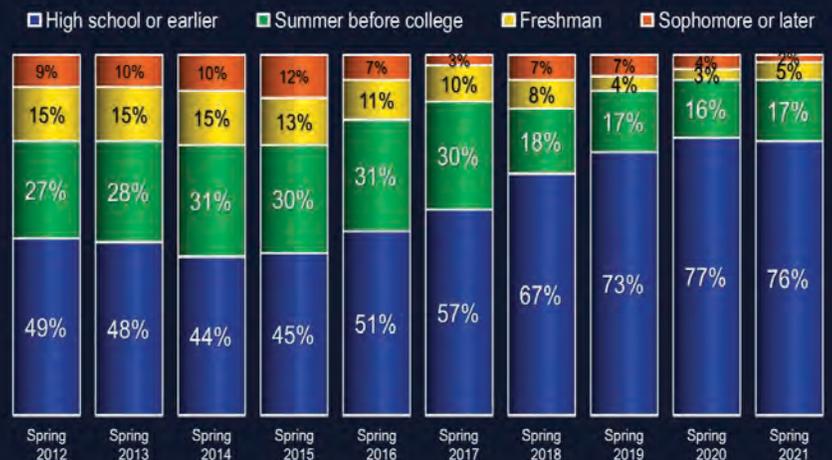
93%, unchanged from last year, opened their checking account in their own name before starting college. 76% opened their account in high school or earlier and another 17% the summer after high school but before starting college. Only 7% opened their checking account after starting college.

As shown below, over the longer term, the share of college students with a checking account in their own name that was opened in high school or earlier has increased from 49% to 93% this year while during the same period, the incidence of all other groups has declined, particularly among those who opened their checking account during their Freshman year or summer after (down from 15% in 2012 to just 5% this year).

When Checking Account Was Opened



When Checking Account Was Opened - Tracking -

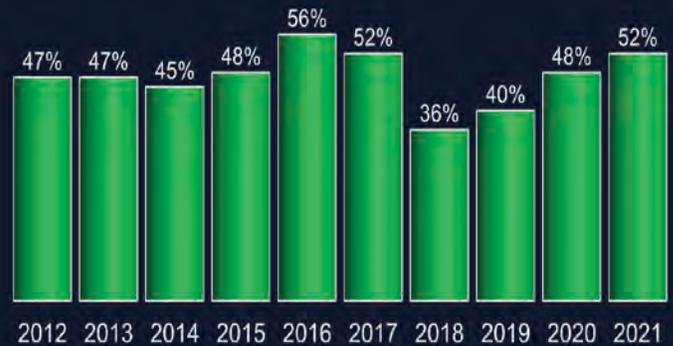


## Month Checking Account Was Opened

52%, up from 48% last year, of those with a checking account in their own name opened their account during the 3 month period June through August.

Over the last 3 years, the incidence of students opening their account during the 3 month period June through August has steadily increased to the level reported for 2017 and marking a sharp reversal of the 2018 level.

Opened Checking Account; June to August - Tracking -

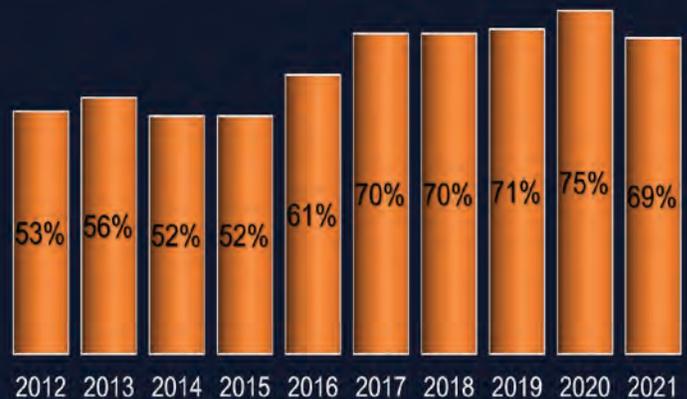


## How Checking Account Was Opened

69%, down from 75% last year, of those with a checking account in their own name visited a bank branch with a parent or other relative. Over the last five years, the incidence of students who visited a branch with a parent or relative to open their checking account has averaged 71%, up from the 55% average for the period 2012 through 2016.

What this would suggest is that increasingly, students lack or perhaps believe they lack the basic knowledge or information required to open a checking account in their own name.

Visited Branch With Parent/Other Relative - Tracking



## "What's your average balance?"

Students with a checking account in their own name report an average monthly balance of \$706.

Seniors report the highest balance, \$798. Students living off campus report a somewhat higher balance than those living on campus or at home.

Similar to last year, males report a 21% higher checking account balance than female students.

Average Checking Account Balance



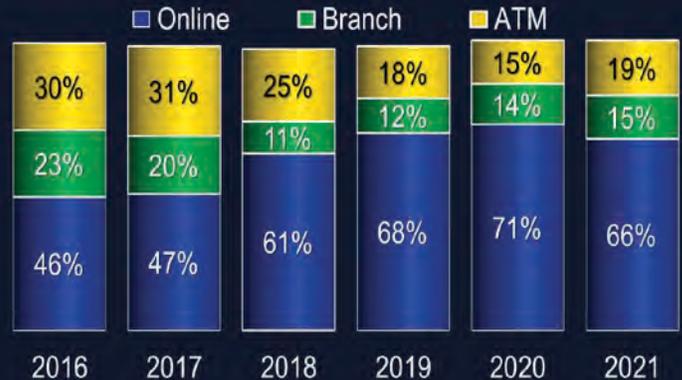
## Share Of Monthly Banking By Method

The largest share of banking is done online. 68%, down somewhat from 71% last year, of banking is done online (58% with a mobile device and 10% with a desktop). 19%, up from 15% last year, at ATM's (on and off campus) and only 15% at a branch (on and off campus). Over the longer term, students report conducting a larger share of the monthly banking online while the share of branch banking is trending down and may soon approach half that of the 2016 level. If college students banking preferences are similar to those of the general population, this could explain the trend in branch closings.

Share Of Monthly Banking By Method



Monthly Banking By Method - Tracking -



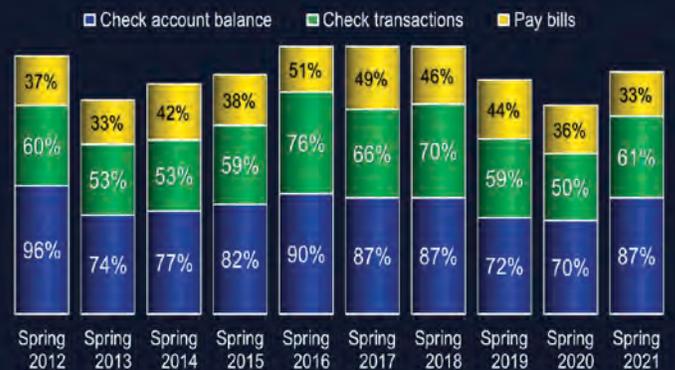
## Online Banking Transactions

Among the 95% reporting banking online, 91% do so to check their account balance, 64% to check transactions and 35% to pay bills or transfer funds between accounts. 16% do so to see if a check has cleared.

Online Banking Transactions

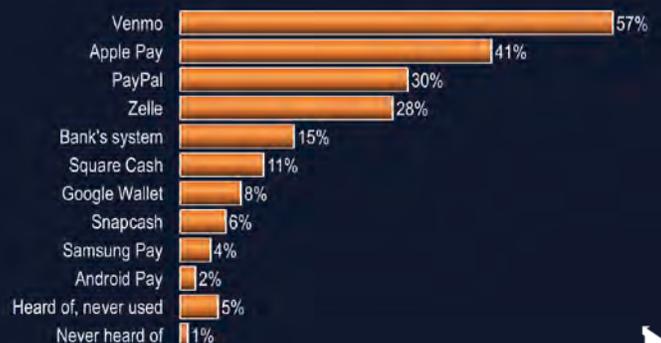


Online Banking Transactions - Tracking - Tracking



## Mobile Payment Systems Ever Used

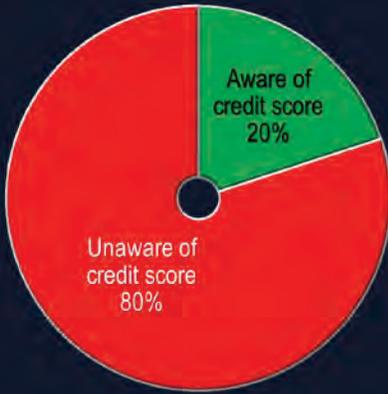
94%, (89% last year), have ever used a mobile payment system. Among users of any mobile payment system, Venmo, 61% and Apple Pay, 44%, are the two most ever used mobile payment systems. 32% have used PayPal, 30% mention Zelle.



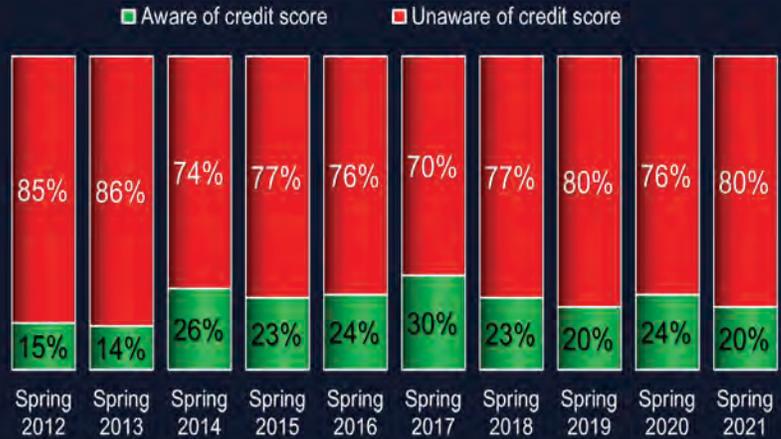
## "What's your credit score?"

Only 20%, down from 24% last year, of all students, are aware of their credit score. About four times as many students, 79% believe it is important to have a good credit score or history as are aware of their credit score. Among those who can describe their credit score, 67%, down somewhat from last year's 73%, describe it as "Good" or "Excellent". The average credit score, among those aware of it, is 694. Over the last ten years, the share of students aware of their credit score has averaged 22%.

Aware Of Credit Score



Aware Of Credit Score - Tracking



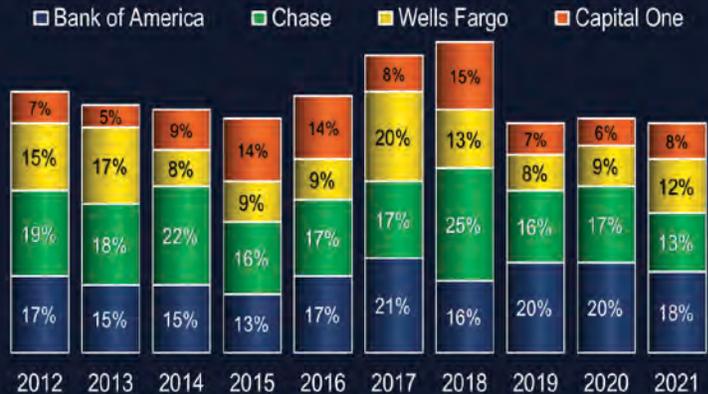
## Credit Card In Own Name Ownership & Card Issuers

47% have a major credit card, 38% have a major credit card in their own name (American Express, Apple Card, Discover, MasterCard and VISA). - Over the last five years, the share of students with a credit card in their own name has averaged 36%. 13% have a VISA card, 12% MasterCard, 10% Discover, 3% Apple Card and 3% American Express. 51% of students' VISA or MasterCard cards are issued by Bank of America, 18%, Chase, 13%, Wells Fargo, 12% and Capital One, 8%.

Credit Card In Own Name - Tracking



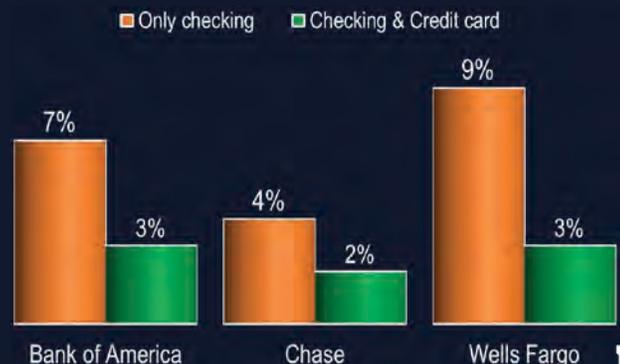
Issuer of VISA/MasterCard - Tracking



## Cross Ownership - Checking Account & Credit Card

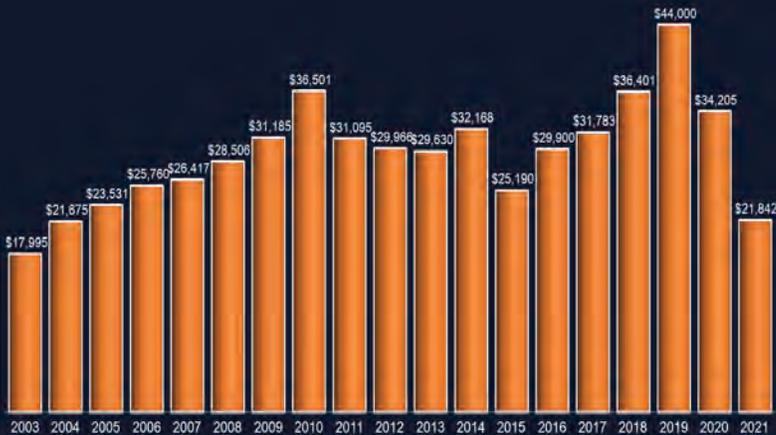
Fewer of those with a Bank of America, Chase or Wells Fargo checking account also have a VISA or MasterCard in their own name with their bank.

50% of those with a Chase checking account have a Chase issued VISA or MasterCard compared to 42% of those with a Bank of America checking account and 33% for Wells Fargo.



## "How much do you expect to owe in undergraduate student loans?"

### Student Loan Debt Expect To Owe - Tracking



50% expect to graduate with undergraduate student loan debt averaging \$21,842.

29% report they have the primary responsibility to educate themselves about student loans while 26% report their parents or family or their college or university have the primary responsibility.

## "How long will it take to pay off your student loan?"

### Years Required To Pay Off Student Loan - Tracking

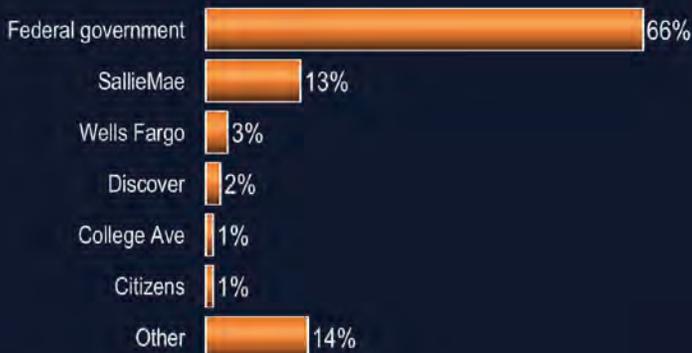
The average borrower believes it will require 8 years to pay off their student loan.

83% "Don't know" the interest rate for their loan. 62% of borrowers are personally responsible for repayment while 53% anticipate they will actually personally repay their loan.



## "What percent of your student loans do you expect to owe to the following sources?"

### Share Of Student Loan Debt Owned To Lenders



The majority of student loan debt, 66%, is owed to the Federal government. The next largest share, 13% is attributed to Sallie Mae. Among banks, 3% is attributed to Wells Fargo.

2% mention Discover, 1% College Ave and 1% Citizens.