

This study is an in-person survey of a diverse sample of over 1500 students, primarily single undergraduates, at 40 large and small schools and universities in 14 states around the country conducted between October 2007 and February 2008. It analyzes how students pay for their education, how many use and how they use credit cards and, as an important goal of the survey, their attitudes toward credit card marketing on campus and whether or not they support principles to rein in credit card marketing on campus.

The findings confirm that students are using credit cards in significant numbers and that a significant number are paying the price through late fees, high balances and delinquencies. The findings also show that banks are marketing aggressively to students through a variety of channels. Finally, the findings demonstrate that an overwhelmingly majority of students support limits on credit card marketing on campus to rein in unfair bank practices.

Students Support Campus Marketing Principles:

We asked students their views on whether colleges and universities should regulate the practices of credit card companies on campus. The results show that students overwhelmingly support stricter regulation of campus credit card marketing. As Table 1 shows, four out of five (80%) students

Table 1: Support For Campus Marketing Principles	
80% of respondents supported at least one reform principle	
74% supported two or more	
% Supporting Marketing of Fair Cards Only	74%
% Supporting No Sale/Sharing of Student Information With Card Cos.	67%
% Supporting Limits On Days Tabling Allowed Each Semester	46%
% Supporting Ban On Card Co Fees To School or School Groups	38%
% Supporting Ban on Free Gifts	36%
The remainder of respondents (20%) opposed limits because students could make the choice.	

supported adoption of strong campus credit card marketing principles. Only 1 in 5 students replied yes to the proposition that students could handle credit card marketing without regulation. Some of these also supported some of the reform principles anyway.

Of those who supported one or more strong principles, nearly three-in-four students (74%) asserted that only cards with fair terms and conditions should be marketed on campus. Students also overwhelmingly (67%) opposed the sale or sharing of student lists (which can include home and dorm addresses, email addresses and land line and cell phone numbers) with credit card companies.

Students Describe Campus Marketing Tactics:

On-Campus and Near-Campus Tables: Three of four students (76%) reported stopping at tables to consider offers or apply for credit cards. The best way to get students to stop at tables appears to be to offer a "free gift," of either nominal or real value. Of course, the catch is that the free gift is conditioned on completing a credit card

application. As we note in Table 2, there are a wide variety of free gifts being offered. While some are of nominal value, the high level of responses in the "Other" category for pizza or "Subway sub" sandwiches or "free food" suggest that credit card companies and their subcontractors are taking advantage of students' chronic cash shortages to attract them to tables with offers of the instant gratification of free food, then getting them to sign up for cards that ironically may contribute to later cash problems.

Table 2: Total Reporting Table Interactions	
76% Reported Stopping at a Table On Or Near Campus	
31% of these Reported Being Offered/Accepting A Free Gift	
Most common gifts	
(of those who reported a gift interaction)	
T-Shirts	50%
Frisbee/Sports Toy	20%
Desk Toy/Stress Ball	16%
Candy or Soda	16%
Mug or Water Bottle	18%
Hat or Cap	16%
Other	40%
The most common other was food, either pizza, Subway subs, other sandwiches or "lunch"	
Others reported receiving discount coupons or "percent off purchases." A few reported "blankets" or "air miles" and one reported an Ipod Shuffle.	

At the same time as many gifts are low-cost or of nominal value, including cheap t-shirts, Frisbees and desk toys as well free lunch coupons, respondents noted a wide variety of gift values. Some firms are offering gifts of substantial value, including pre-loaded gift cards worth \$10-\$25, or in one case, an iPod shuffle (worth approximately \$49 retail according to Internet sites).

Mail and Phone Marketing: Fully 80% of respondents said they received mail from card companies. Students reported receiving an average of nearly five (4.8) mailed solicitations per month. However, a number of students simply reported "hundreds." In addition, 22% of students reported receiving an average of nearly four (3.6) phone calls per month from credit card companies.

How Students Pay for Education:

Fully 61% of students relied on parents for some or all of their educational costs. The next most common sources of income reported were scholarships (40%), student loans (38%), summer jobs (32%) and part-time jobs (29%).

How Students Report They Use Cards:

Nearly two-out-of-three (66%) students reporting having at least one credit card. Thirty percent (30%) reported that for their primary card, they were either a co-signer or their parents paid the bill.

Of remaining students paying their own bills, just over half of the remainder reporting (36% of the total) stated that they paid their own primary card bills in full each month. The other half of students paying their own bills, (34% of the total) stated that they carried a balance on their primary card.

When asked how they used their cards, a question for which multiple entries were allowed, more than half (55%) reported that they used them for "day-to-day-expenses. The same number (55%) reported using them for books. The next highest categories reported were "weekends and pizza" and "emergencies" but very few consumers limited their response to "emergencies." Nearly one-quarter (24%) reported that they had used their cards to pay for college tuition.

How Students Report Credit Card Debt and Credit Card Late Fees and Delinquency

Seniors (\$2,623) responsible for their own cards who reported carrying credit card debt had more than double the debt reported by freshmen (\$1,301).

Defaults: In addition, students (Seniors, \$4,116; Freshmen, \$2,450) responsible for their own cards who reported that they had previously defaulted on a credit card had much higher credit card balances than those who had not had a previous default.

One in four respondents (25%) reported they had paid at least one late fee and 15% reported they had paid at least one over-the-limit fee. Over 6% of respondents reported that at least one card had been cancelled for non-payment. Nearly one in five (19%) had cancelled a card themselves in good standing. (These figures include all students, including those whose parents now pay for their primary cards or who claim to carry no balances on their primary cards.)

The full report is available at www.truthaboutcredit.org.