

**College Students and Credit Card Debt:
Means of Attainment and Spending Behavior**

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Abstract

Debt among college students has been an area of increasing concern for researchers and policymakers over the last ten to fifteen years, fueled primarily by the increasing incidence of credit card ownership and usage among college students. Rapidly escalating costs associated with a college education coupled with greater access to debt instruments such as credit cards has led some researchers to suggest that college students may be taking on excessive amounts of debt, resulting in greater incidence of students failing to persist to graduation and future financial troubles. One question that has drawn some attention in the prior literature is the question as to what impact, if any, different methods of credit card attainment have on college students spending habits. Specifically, are there differences in the amount of debt carried by those who obtain credit cards from on-campus solicitations as compared to other sources such as banks, retail stores, or direct-mail solicitations? A double-hurdle model was used to analyze a sample of mid-western college students. Compared with bank cards, direct mail and store cards were associated with a greater likelihood of revolving a balance, though in determining how much of a balance one revolves, only direct mail cards were found to be significantly different (greater amount revolved).