

HEALTH AND HUMAN SCIENCES

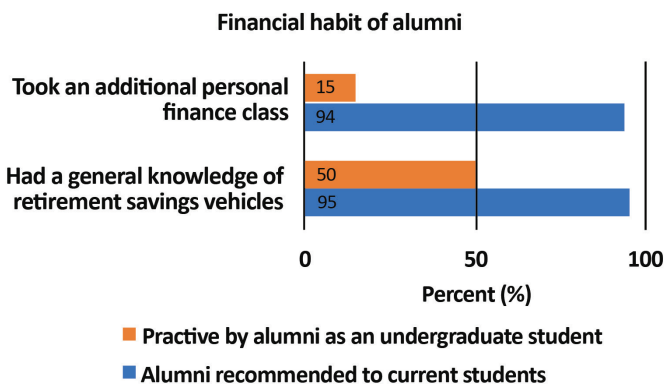
Do What I Say, Not What I Do? Personal Finance Experiences of Purdue Alumni and Advice for Current Undergraduate Students

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Undergraduate students in the United States typically lack the necessary money management skills to keep up with their personal finances and meet their current and future financial goals, according to Lusardi and colleagues’ 2014 *Journal of Economic Literature* article, “The Economic Importance of Financial Literacy: Theory and Evidence,” and 2010 *The Journal of Consumer Affairs* article, “Financial Literacy among the Young.” Undergraduate students at Purdue University are no exception. The 2012 *American Economic Review* article by Behrman and colleagues, “How Financial Literacy Affects Household Wealth Accumulation,” tells us that the lack of personal finance knowledge has long-term negative consequences on wealth, savings, retirement

preparedness, and other important economic outcomes. I conducted a survey of 400 Purdue University College of Health and Human Sciences alumni and found that many of the respondents recommend financial habits that they did not practice themselves as undergraduate students. Of survey respondents, 94% recommend that current students take additional personal finance courses. Yet, only 15% of alumni took advantage of these opportunities as undergraduate students. Unfortunately, Purdue’s core curriculum does not include any economics, finance, or personal finance classes, according to the 2018 webpage “Welcome to Purdue’s Undergraduate Outcomes-based Core Curriculum” by the Office of the Provost at Purdue University. The data also revealed that only 50% of alumni indicated they had a general knowledge of basic retirement savings vehicles upon graduation. An overwhelming 95% of these same alumni advise current undergraduate students to be familiar in this area of personal finance. In conclusion, my research indicates that alumni have financial knowledge and valuable insights from which current college students can benefit. Personal finance training of students could leverage the experience of alumni to help current students gain a more stable financial footing post-graduation.

Research advisor Jonathan Bauchet writes: “Andi brilliantly led this project following a novel idea of hers: investigating how alumni could help current students improve their personal finance knowledge and skills, which are known to be severely lacking. From the raw data she distills clear and actionable areas and ways in which this can be done.”



The bar graph above shows the relationship between a particular financial habit practiced by HHS alumni and if they recommend the same behavior to current undergraduate students.