

Investigation and Analysis of College Students' Financial Literacy in the New Era

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ABSTRACT

Owing to the development of the times and further opening up, college students in the new era fail to meet the needs of society in terms of financial literacy, posing great challenges to the effectiveness of financial intelligence education in colleges and universities. Accordingly, this paper investigates and analyses college students' financial literacy in the new era from the dimensions of college students' investment and financial management ability and consumption tendency, expounds the factors restricting the improvement of college students' financial literacy, and puts forward specific paths for improvement.

Keywords: *Financial literacy, Financial intelligence, Investment and financial management, Consumption tendency.*

1. INTRODUCTION

According to Xi Jinping, "going forward, China will be a country that has great expectations of its younger generation. A nation will prosper only when its young people thrive. For China to develop further, our young people must step forward and take on their responsibilities." [1] As the future and hope of the country, college students in the new era act as an important part of contemporary youth and the backbone of future social development. That is to say, the overall quality and ability of college students represent the development ability and level of the country and the nation. It is generally believed that financial literacy education is a basic, universal and embryonic comprehensive activity necessary for students to cope with economic life. [2] Higher education shoulders the fundamental task of fostering virtue through education and nurturing young people. Financial literacy education or financial intelligence education should be integrated into the ideological and political education of college students. This practice, on the one hand, is helpful to solve the common issues of "shopping mania", "moonlight clan" and "credit card slave" among college students, on the other hand, can promote the financial intelligence among college students, guide them to establish a healthy view of wealth, master the

knowledge and ability of wealth management, so as to promote the all-round development of college students, and provide talent and intellectual support for socialist market economy.

2. THE GREAT CHALLENGES FACING FINANCIAL INTELLIGENCE EDUCATION AMONG COLLEGE STUDENTS IN THE NEW ERA

The world today is undergoing unprecedented changes. The changes inside and outside China, as well as the changes brought by the breakthrough of information technology, have posed challenges to the ideological and political education of post-00s college students. Specifically, due to the further deepening and all-round expansion of opening up, a large number of Western cultural thoughts and values have flooded into China, undermining traditional concepts. At the same time, college students are swayed by the lure of a hedonistic and money-worship lifestyle. What's worse, the lack of financial literacy and financial intelligence education leads to the prevalence of the money first concept and deficit spending, the frequent occurrence of unreasonable overconsumption, campus loans, and even fraud on freshmen during back-to-school season, which has

hindered study, employment and entrepreneurship of college students, resulting in frequent social issues. Therefore, all colleges and universities should integrate financial intelligence education into the ideological and political education of college students, and carry out universal education, model education and education with emphasis in combination with the independence, selectivity, variability and difference of contemporary college students' ideological activities, which will help college students establish a sense of self-improvement and innovation. This will also help to solve problems caused by the lack of financial intelligence education among college students, such as fuzzy ideals and beliefs, distorted value orientation, weak sense of integrity, weak social responsibility, and fading spirit of hard work.

3. A SURVEY OF COLLEGE STUDENTS' FINANCIAL LITERACY IN THE NEW ERA

A total of 420 valid questionnaires were collected, and the respondents were all college students. Specific survey data and results are as follows.

3.1 Survey on College Students' Investment and Financial Management Ability

The survey shows that about 50% of samples show interest in investment and financial management, of which 80% are limited to low-risk financial products such as Yu'e Bao and over-the-counter funds, while the remaining 20% generally adopt stocks, futures and other tools for financial management. "Figure 1" shows the investment varieties and proportions of the surveyed college students.

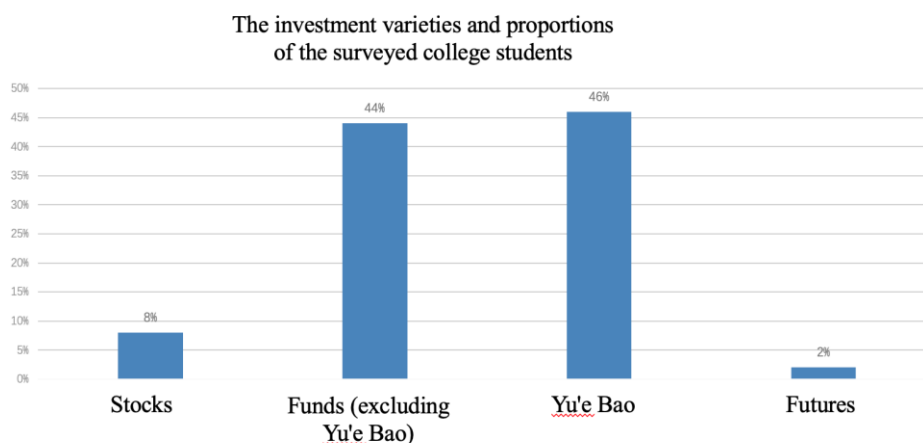


Figure 1 The investment varieties and proportions of the surveyed college students.

The analysis shows that 88% of samples highly value practical experience in the investment industry, followed by financial contacts, knowledge and theory, and a certain amount of capital. Among those who participated in the sample survey, 60% of the students had participated in provincial securities investment competitions, and 30% had participated twice or more times. In terms of the number of stocks, about 37% of samples are 2-3, 41% are 4-5, and only 6% are more than 8, which reveals the risk awareness of most college investors.

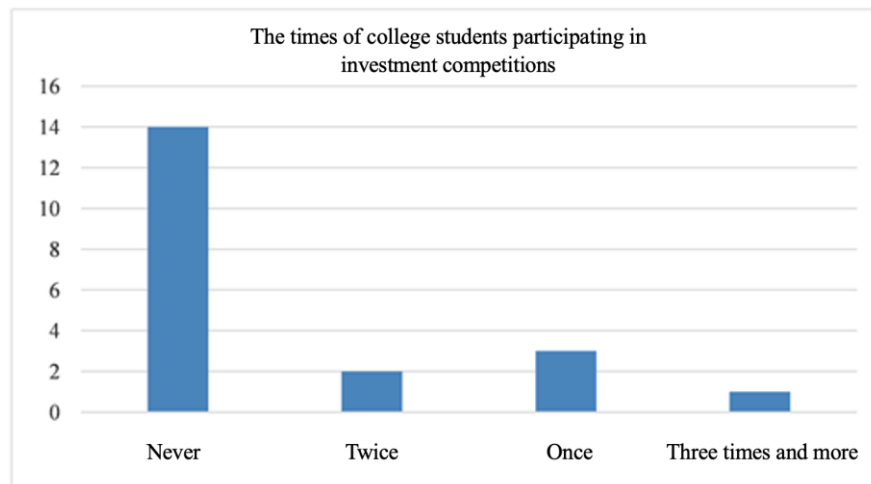


Figure 2 The times of college students participating in investment competitions.

Besides, the ability to deal with risks also shows the investment ability of college students. According to the survey, 80% of college students who usually make investments control the position of stocks and other high-risk investment products below 60%. Among the students surveyed, more than 60% of students' funds for investment or financial management come from the balance of living expenses, 20% the funds support of their parents, and about 10% the part-time jobs and financing loans. It can be seen that the thriving Internet finance and the popularization of higher education have elevated the investment and financial management of college students. However, there is still a lot of room for improvement, and some students even have little contact with relevant knowledge. ("Figure 2")

3.2 Survey on College Students' Consumption Tendency

In addition to investment and financial management, the author also investigated the consumption level, consumption habits and consumption concepts of college students. Specifically, as for consumption level, more than 75% of samples consume 80% or more of the monthly living expenses or income from work, and even 20% practice deficit spending. In terms of consumption habits, the daily expenses of college students mostly lie in daily meals, drinks and snacks, leisure and entertainment, dinner party, clothing and accessories, daily necessities, electronic equipment and learning materials, etc., while they spend less on makeup and skin care, travel and other aspects. When it comes to consumption concepts, 45% of samples

prefer "to have a surplus every month for their own use", 30% prefer "enough to spend", 20% prefer "to make a detailed consumption plan", while 5% do not care. After entering the university, college students get rid of the "supervision" and "control" of parents and teachers, and begin to manage their daily life and control the monthly living expenses given by their parents. However, the living expenses of college students vary with family conditions, and college students are prone to compare and show off. On this basis, various policies of financial and economic innovation have further stimulated their demand for deficit spending. However, limited by funds, a small number of students choose online credit, such as "Ant Credit Pay", "Jingdong Baitiao", "Ant Cash Now", etc. to satisfy their own showing-off psychology and strong consumption desire. There are even college students who become the victims of telecom fraud out of the mentality of making quick money and getting something for nothing.

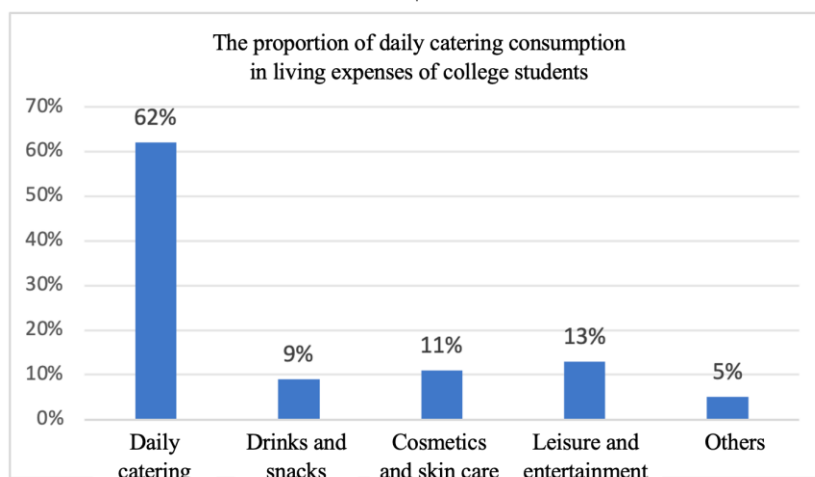


Figure 3 The proportion of daily catering consumption in living expenses of college students.

“Figure 3” shows the obvious difference in the consumption structure of students with different living expenses. Many students who practice deficit spending spend less on daily catering consumption. The survey shows that due to the lack of consumption planning, they spend a lot on drinks and snacks, cosmetics and skin care, leisure and entertainment, which leads to deficit spending and living beyond their means. Therefore, some contemporary college students lack rational consumption consciousness, which calls for relevant intervention to improve their financial planning ability.

4. THE FACTORS THAT HINDER THE IMPROVEMENT OF FINANCIAL LITERACY OF COLLEGE STUDENTS IN THE NEW ERA

Although departments such as families, society, and educational institutions unanimously believe that the improvement of financial literacy is crucial for talent cultivation, many educators still do not attach enough importance to financial literacy education, which has become the main factor restricting the improvement of their financial literacy due to the lack of prevention awareness, irrational consumption habits, and misconceptions among college students themselves.

4.1 The Lack of Social Attention on Financial Literacy Education

Financial intelligence refers to the ability to recognize, create and manage wealth, including concept, knowledge and behavior. [3] *China's*

Financial Literacy Education Standard Framework was released in 2018, in which relevant experts conducted research on personal development, family happiness, social stability and national security. [4] However, at present, all sectors of society are still in the wait-and-see stage. In colleges and universities, financial literacy education is rarely incorporated into the daily teaching system, nor is it offered as a general curriculum. It is only a project of safety education for freshmen, so it is scattered and not systematic with unfavorable educational effect. In addition, college students' financial literacy cannot be accomplished overnight, and the financial literacy system framework also needs to be gradually explored and revised. According to the survey, 68% of samples have a strong desire to learn financial knowledge, but do not know how to learn it. Among the college students surveyed, 43.6% hold that wealth management skills benefit growth, and 26.4% believe that financial management is necessary, which confirms that college students are generally in favor of financial intelligence education.

4.2 The Lack of College Students' Risk Screening Ability and Prevention Awareness

In the era of Internet plus finance, internationalization, globalization and digitalization have driven not only the rapid economic life, but also a series of financial risks, which makes it an urgency to improve the prevention awareness. [5] The survey found four characteristics of Chinese post-00s college students in financial intelligence: first, obvious misunderstandings in financial intelligence concept; second, the coexistence of socialized consumption

and unplanned consumption; third, the strong financial management desire and the lack of financial literacy; fourth, high acceptance of Internet finance and insufficient risk screening ability. In addition, they are not clear about many common issues when learning national macroeconomic policies, financial crisis, economic crisis, ways and methods of personal finance, as well as the basic knowledge of securities, which basically proves their shortage of financial knowledge.

4.3 Irrational Consumption Behavior and Poor Consumption Habits of College Students

Impulse consumption is common among college students. Their consumption tends to be "adult" and "social", but their spending is "immature". The survey shows that 64% of sample's average monthly consumption is between 1,000 and 3,000 yuan (with regional differences), and 18.2% between 3,000 and 5,000 yuan. More than 60% of college students spend more on shopping and entertainment than on food, which shows the obvious "adult" and "social" consumption trend of post-00s college students. On the other hand, college students treat consumption without a plan and at will. Some even spend more than they can afford. More than 60% of college students are "rich" during the former half beginning of the month while "poor" during the latter half. Such consumption imbalance troubles college students financially. Based on the survey, 23% of college students lack a clear consumption plan, only 10% have a clear consumption plan, and 5% insist on the good habit of bookkeeping. In addition, conformity, comparison and seeking differences are responsible for the irrational consumption and financial difficulties among college students.

4.4 Strong Financial Needs and Obvious Financial Misunderstandings Among College Students

Research and interviews reveal that post-00s college students are no longer "pure consumers" in the traditional sense. On the one hand, post-00s college students have more money, on the other hand, due to the influence of the times, they have a desire of financial management, and strongly hope to improve the material comforts of life through wealth appreciation. According to the survey, more than 60% of college students are willing to increase their wealth through financial management, while less than 1% are against it. As a whole, college students have a better understanding of the financial products and

services of traditional banks compared with the Internet financial platforms, such as P2P, which are riskier and have more traps, resulting in many college students falling into telecom fraud and financial difficulties.

5. THE PATH TO IMPROVE COLLEGE STUDENTS' FINANCIAL LITERACY IN THE NEW ERA

Entering the stage of high-quality development, the realization of a financial power urgently requires colleges and universities to enhance the financial literacy of college students in the new era through education. Colleges and universities should use the first classroom to teach financial intelligence theory, utilize the second classroom to carry out financial intelligence education practice, take advantage of social resources to cultivate financial literacy, and create a batch of new era college students with good financial literacy who can serve the construction of Chinese path to modernization.

5.1 Teaching Financial Intelligence Theory Systematically to Cultivate College Students' Financial Intelligence

Under the context of the development and improvement of China's market economy and the continuous popularization of higher education, the unhealthy consumption of college students has been on the rise, prompting people to value financial education. [6] According to China's Financial Literacy Education Standard Framework, college students are required to have the following financial knowledge: economics, financial science, accounting, public finance, insurance, economic law, tax law and other related disciplines. Colleges and universities should carefully sort out and refine the focus of financial literacy education, and take it as a compulsory course of general education. As for subject knowledge, students should focus on monetary policy, fiscal policy, world situation policy and China's situation policy, and understand the impact of different stages of the economic cycle on economy. It is also necessary to master the knowledge on exchange rate, interest rate, financial crisis, economic crisis, various credit types and risks, personal credit system, college student loan policy, etc. Courses such as Internet finance, P2P platform, prediction of financial investment and project investment, risk control, supply and demand relationship of factor market can be taken as electives. In addition, the course also needs to help students understand the policies related to entrepreneurship,

risk assessment of loan entrepreneurship, decision-making on buying a house, commercial insurance and social security policies, etc. This enables them to develop personal and family investment plans and strategies on how to reduce losses in the event of financial fraud. The above knowledge is closely related to the future work and life of college students, and can be further enriched and improved through the first class.

5.2 *Creating a Financial Education Atmosphere and a Series of Quality Activities*

Student associations and campus cultural activities of finance and economics can be fully utilized to enrich the form of finance and economics education and improve the financial literacy of college students. The first is to do a good job in recruitment and publicity, so that more students can join the financial society, wealth management study club, accounting society, ERP sandtable society and other related societies or participate in their activities. Secondly, the annual campus science and technology festival can be held, covering financial planning competition, simulated stock market competition, cash counting competition, ERP sandtable simulation entrepreneurship competition and others, which requires favorable organization and training and greater incentives, so as to cultivate a series of long-term and influential campus financial intelligence education brand activities with a large number of participants.

5.3 *Integrating Classroom Practice Resources and Actively Promoting Quality Cultivation*

Apart from the teaching of professional theoretical knowledge in the first class, efforts should be made to introduce school-enterprise cooperative bases to provide internship positions or build school-enterprise cooperative practice bases, such as insurance companies, securities companies, banks, small loan companies and other related investment and financing companies. In this way, students have the opportunity to work in the real investment and finance industry, participate in real activities, feel the operation and management of enterprises and their own culture, understand the professional processes such as investment portfolio, diversification, risk avoidance and loss control, and combine the financial knowledge with practical operations to improve their financial literacy.

6. CONCLUSION

To sum up, thanks to the rapid development of the national economy, the generation that got rich first spares no effort in investing in the education of the next generation and attaches great importance to the training of future generations, which requires the adjustment of education concept and mode of higher education in a response to the demands of parents and the needs of social development. Accordingly, colleges and universities should follow the trend to integrate financial business education and the financial literacy education of college students in the new era into education, and foster college students who can adapt to the Internet economy in the new era through courses, lectures, special guidance, case teaching and so on.

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