

Analysis on the Current Situation of Personal Financial Management of College Students and the Countermeasures

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Abstract—By means of questionnaires and individual interviews, this paper investigates and studies the financial management consciousness and financial planning ability of college students, and puts forward the main problems existing in personal financial management of college students at present, such as weak financial management consciousness and knowledge, lack of risk prevention awareness and ability, neglect of increase income and saving expenditure, unreasonable expenditure structure, irrational consumption and increasing trend of students debt, the misconceptions in financial management, and so on. It is proposed that students themselves, schools, family and society should make joint efforts to take active measures to help college students establish correct consumption and scientific financial management concepts and improve their personal financial planning ability.

Keywords—personal financial management; college students; financial outlook; financial literacy

I. INTRODUCTION

Personal financial management is a comprehensive and coordinated financial plan which is formulated, arranged, implemented and managed in order to achieve personal goals and ideals in life. It is also a long-term plan for one's own life. After college students enter the society, they will gradually face the problems of marriage, housing, children's education, which are closely related to personal financial investment. Therefore, the study and accumulation of financial management knowledge should be early. During the university period, it is the golden time to learn the knowledge of investment and financial management, and it is also an important stage for college students to form correct consumption and financial management concept. This paper intends to use Xi'an University as an example to uses the

questionnaire survey information on the current situation of personal financial management of students in Xi'an University to understand the existing problems of college students in living expenses arrangement, investment risk perception, financial management knowledge learning and other aspects of the problems and in-depth analysis, and then put forward some reasonable suggestions and measures to help college students scientific financial management rationalization.

II. ANALYSIS OF GROUP CHARACTERISTICS OF PERSONAL FINANCIAL MANAGEMENT OF COLLEGE STUDENTS

A. Gender Differences in Financial Habits

According to the survey data, in addition to basic rigid demand expenditure, girls spend more on clothing and beauty, while boys spend more on network and social intercourse, which shows a significant difference in consumption structure. Relatively speaking, boys consume more rationally than girls, and they are more motivated to learn financial knowledge, practice and try new financial products.

B. Age Difference in Financial Awareness

Survey data show that senior students have more mature consumption views and stronger financial awareness than junior students. The fundamental reason is that the senior students have more professional knowledge, financial management knowledge, strong self-control ability, rich social experience and stronger ability to resist temptation than the junior students.

C. Family and Regional Differences in Financial Awareness

According to the survey data, students with poor family conditions are more rational and have less impulse spending. Students with good family economics have a stronger sense of financial management, and they are exposed to risky

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investment products such as stocks earlier. From the perspective of the area where the family is located, the students in the economically developed areas have more financial awareness and understanding of financial instruments than those in the backward areas. This is similar to research results of other scholars, such as Wu Yinting et al. (2017) using the Logistic model and factor analysis method to verify the annual family income, market price volatility tolerance, the number of friends and relatives speculating in stocks, monthly average living expenses, stock knowledge, financial media familiarity, asset volatility tolerance, maximum loss tolerance and the degree of risk preference, the larger these variables are, the stronger the willingness of college students to invest in stocks. Because the living expenses of college students are mainly provided by their original families, their family economic situation will affect the investment and financial management and consumption habits of college students to a large extent. Students with better family economic conditions have sufficient funds for investment and financial management. At the same time, students of native families with better conditions may also have better understanding, participation or support for investment and financial management than students with poor family conditions.

III. ANALYSIS OF MAIN PROBLEMS IN PERSONAL FINANCING OF COLLEGE STUDENTS

Through the collection, collation and analysis of the above data, it can be found that there are several problems in the consumption concept and financial management awareness of college students:

A. Most Students Have Relatively Tight Living Expenses, but the Open Source Awareness Is Still Not Strong

Because Xi'an University is located in the northwest of China, its economy is relatively backward, the proportion of rural students is relatively high, some students are poor, most students are not well off, the tuition fees of some students depend on the subsidies issued by schools and the state, and special poverty subsidies. However, the proportion of working-study and part-time work outside school to earn living expenses for themselves is still lower than that of college students in coastal economically developed areas, and the awareness of increasing income through various ways to improve life is not strong enough.

B. Consumption Expenditure Structure Is Not Reasonable, and Impulse Consumption Is Prone to Occur

With the popularity of the modern mobile Internet, the daily acquisition, learning and consumption of information through smart phones has become a daily life for college students. On the one hand, the rise of e-commerce and the popularity of mobile payment methods have brought convenience to shopping consumption of college students. On the other hand, the advertisements of e-commerce products with strong temptation and attractiveness, coupled with the lack of self-control ability of college students and the psychology of comparing among students, make them extremely prone to impulse consumption behavior. At the same time, enthusiasm of students for online shopping often

overlooks some of the shortcomings of online shopping, such as the gap between pictures and commodities, the difficulty of claims after sales, which further affects the rational arrangement and use of self-owned funds by college students.

C. The Debt of College Students Is Increasing and Deteriorating

With the development of Internet finance, on the one hand, it is becoming easier for college students to go into debt. Students are increasingly paying for their impulsive consumption by using such debt methods as Huabei, Jiebei in Alipay, credit card overdraft and network platform borrowing. About 40% of the students set Huabei payment as the first way to pay. And the introduction of the third industry service mode, which includes installment repayment, minimum monthly interest rate repayment and combined with Taobao Mall has increased the dependence of students on the prepayment mode. On the other hand, college students have limited living expenses, there is no stable source of income, and they lack of basic understanding of the essence of "campus loan" and "routine loan". According to the survey data, about 73% of students will choose to conceal their parents once they are in debt and pay back their debts in a part-time way every month. However, the lack of financial knowledge makes them underestimate the speed of interest rolling of "campus loan" and "routine loan", which easily leads to catastrophe.

D. There Are Many Misconceptions in Financial Management and Lack of Scientific Financial Management Concept

Through the survey data, it can be found that many college students lack awareness of financial management, and they are not aware of the importance of financial management for personal life goals and ideal realization. They do not have the habit of keeping accounts, lack of effective income and expenditure management, lack of financial management knowledge and pay no attention to accumulation. They do not even understand that "everyone needs financial planning", "financial management should be early" and "the magic power of compound interest". Even with financial awareness and willingness to learn financial skills, there are also problems in learning methods and ways.

E. The Financial Knowledge and Skills Are Insufficient, and the Ability of Risk Identification Is Weak

Personal financial management will inevitably use a variety of wealth management products and financial management tools. Many well-received but risky financial instruments, such as stocks, futures, options, bitcoins, and so on, all of these need to be rich in finance, accounting, macroeconomics, and even computers and mathematics. If the family financial management atmosphere is poor and the personal knowledge and skill reserve is insufficient, it is difficult for the university students who lack professional knowledge, financial management experience and social experience to identify the risks and opportunities.

F. Without Understanding the Characteristics of Personal Risks, the Blind Herd Mentality Magnifies the Uncertainty and Failure Rate of Investment

The risk characteristics of investors are composed of three aspects: risk preference, risk cognition, and actual risk tolerance. Because each individual or family has different financial resources, knowledge, investment timing, personal investment orientation, age and other factors, it leads to different ability to bear risks. Risk tolerance is an important index in personal financial planning. According to the difference of risk tolerance, investors can be roughly divided into the following five categories: conservative investors, moderate conservative investors, moderate investors, moderate enterprising investors and enterprising investors. Fully understand the risk tolerance of individuals or families, choose the appropriate portfolio and financial management scheme instead of the highest rate of return, and reject the blind obedience in order to achieve better financial management results.

IV. COUNTERMEASURES AND METHODS FOR IMPROVING THE PERSONAL FINANCIAL MANAGEMENT AWARENESS AND FINANCIAL PLANNING ABILITY OF COLLEGE STUDENTS

A. Learning to Keep Accounts and Preparing Expenditure Budgets to Develop Good Financial Management Habits

It is suggested that junior college students download an accounting APP, learn to systematically record income and expenditure, and summarize the accounts at the end of each month, summarize the monthly consumption structure and balance, find out unreasonable expenditure items and formulate improvement plans, and try to compile expenditure budget for next month, summarize and find out the appropriate financial management methods.

B. Strengthening the Collection and Centralized Management of Fragmented Funds

As a special population, college students can use a limited amount of funds. Therefore, the cultivation of financial skills can start from strengthening the collection and centralized management of fragmented funds, selecting financial products with lower access threshold, lower risk and higher liquidity, such as Yu'eobao, monetary fund, and so on, so that students can take control of your own money anywhere, anytime and dynamic. The centralized management of funds makes the funds in the best operating condition, which fundamentally changes the traditional financial management concept that only pays attention to the use of funds and neglects the management of stock funds.

C. Guiding Scientific Investment and Financial Management Concepts

It is suggested to strengthen the financial management knowledge and risk awareness of college students at the school level, on the one hand, in combination with the financial management characteristics of college students, colleges and universities should regularly carry out education on popularizing financial management and strengthening risk

awareness, such as holding lectures and elective courses to help college students understand basic financial management knowledge and various financial fraud methods enhance their risk prevention, financial management and self-protection capabilities. As soon as possible to add "personal finance" and other related courses, through the system of teaching so that college students can correctly identify the types of investment financial products in the market and its regular operation mode. Aiming at the loan amount, interest level, compensation for breach of contract and other provisions of the credit platform, the school focuses on explaining and discussing in the form of special courses to help college students uncover the hidden risks of investment and financial management, guide them to fully understand all aspects of knowledge of investment and financial management, and strive to minimize the negative impact of investment and financial management on College students.

On the other hand, in view of the various unhealthy consumption habits of college students, schools should advocate the consumption concept of open source and thrift, pay attention to cultivating correct, positive and healthy consumption concept of students, and help college students correctly handle the relationship among study, employment and self-employment, life and consumption, life and financial management and investment, and cultivate their rational consumption view, active entrepreneurship view, and correct investment view from daily life.

D. Mobilizing the Students of Finance to Provide Various Financial Advisory Services

Personal financial management is highly professional. Considering the practical needs of students majoring in finance in our school, the school can establish financial management societies, financial management consulting studios, and public numbers by spontaneous behavior of students. At the same time of innovative practice teaching, it not only improves the service level of professional students in providing financial planning for customers, but also helps other professional students avoid the risks in financial management, killing two birds with one stone.

E. Families Should Shoulder the Responsibility of Helping College Students to Establish Financial Awareness

It is well known that the family is the most important educational place in one's life. The parents are the first teachers of the children. The words and deeds of parents have a profound influence on the development of children. Their views on consumption and financial management will directly affect the views of children on consumption and financial management. In view of the current financial situation of college students, parents need to do the following:

First, parents should set an example, establish a correct view of money, teach the right consumption concept to their children, and share their experience in financial management practices with their children;

Second, parents should concern about children's financial management, communicate with children in a timely manner, and put forward corresponding opinions on children's

consumption habits and financial management status to help them better manage financial resources;

Third, parents should stop “grant whatever is requested” to children's living expenses, change “selfless devotion” to “moderate amount”, and cultivate children's awareness of saving money;

V. CONCLUSION

College students are a special group that initially has independent consumption ability, but without independent, stable and sustainable economic source, and lack of awareness of risk control. In recent years, college students have frequently fallen into financial traps such as “campus loan” and “routine loan”. The fundamental reason is the lack of training and education of financial management ability of college students and the inevitable result of their uncontrollable desire to consume and compare. In addition, as more and more college students begin to contact stock, futures and other high-risk investment varieties, the phenomenon of increasing shareholders of college students has aroused more and more attention and reflection in society. Therefore, how to scientifically guide college students to form a correct view of investment and financial management is one of the important tasks of university education. The research results of this paper are the basis for personal wealth management enthusiasts to engage in financial knowledge communication and financial consulting services in university campuses. Thereby, the reasonable planning ability of the individual funds of the college students and the financial management skills of the personal wealth management enthusiasts can be improved.

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