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about the importance of personal financial management skills – 99 percent said they were either extremely or very important –they are not actively taking steps to ...

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While a majority of college students give themselves good grades for their financial literacy skills, many of them need to study up on the basics. A newly released survey from the [American Institute of CPAs](#) (AICPA) found that college students who rated themselves as having excellent or good personal financial management skills (57 percent) outweighed those who rated their skills as poor or terrible (12 percent) by a more than a five-to-one margin.

However, almost half of college students (48 percent) reported having less than \$100 in their bank account at some point in the last year. In addition, thirty-eight percent said that they had borrowed money from friends or family in the last year and more than one-in-ten (11 percent) missed a bill payment.

The survey, conducted online among 751 college students who will be enrolled in fall of 2015, on behalf of the American Institute of CPAs by Harris Poll in August, highlights the differences between students' perception of their financial literacy skills and the reality.

The survey found that, despite the nearly universal feeling among college students about the importance of personal financial management skills – 99 percent said they were either extremely or very important –they are not actively taking steps to develop their knowledge in this area. In fact, only one-in-four college students (23 percent) say they seek out personal financial management information and incorporate it into their spending and saving habits frequently or often, compared with two-in-five (41 percent) who say they rarely or never do so.

“For many students, college is their first time making independent financial

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Members of the AICPA's Financial Literacy Commission say that establishing and following a budget is one of the most important things a person can do to take control of their financial situation and build for the future. However, the survey found that only two-in-five (39 percent) students reported following a monthly budget. Of those who follow a monthly budget, 42 percent said they learn how to budget from their parents or relatives with 37 percent saying they learned on their own.

“Parents of college students should definitely encourage their children to establish a monthly budget as a means of keeping their spending in check while they are in school,” added Almonte. “Establishing a monthly budget is the foundation upon which other positive financial behaviors are built. There are resources on the AICPA's 360 Degrees of Financial Literacy and Feed the Pig websites that teach students how to create a budget and provide them tips and tools for staying on track.”

While many college students need to develop better financial habits, the survey found that more than 8-in-10 (84 percent) say they are extremely or very interested in learning how to make better personal financial decisions.

This fall there will be [17 million students](#) enrolled in 2 and 4-year undergraduate programs across the U.S. The AICPA's National Financial Literacy Commission suggests the following tips to help them improve their financial literacy and make better decisions while they are in school and beyond:

- **Get started.** Visit the AICPA's 360 Degrees of Financial Literacy website to [use the free budget calculator specifically designed for college students](#). The calculator allows you to input your expenses and income for an eight-month school year running from September through April.
- **Review your plan.** Look at your budget on a monthly basis and see if there are differences between your budget and your actual spending on a monthly basis. If

there is a gap, determine if your budget or spending needs to be modified.

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working over the summer and start the school year in a position of financial strength.

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