



## **Current situation of investment and financial management for college students**

Yujie Xu <sup>1,\*</sup>, Yajuan Xi <sup>2</sup>, Tianxiao Liu<sup>2</sup>, Jingyi Luo <sup>3</sup> and Xiao Ren <sup>3</sup>

<sup>1</sup>Anhui University of Finance and Economics, School of Accountancy, Bengbu Anhui, 233030, China

<sup>2</sup>Anhui University of Finance and Economics, School of Finance, Bengbu Anhui, 233030, China

<sup>3</sup>Anhui University of Finance and Economics, School of Economics, Bengbu Anhui, 233030, China

**Abstract:** This paper analyzes the financial situation of college students by combining the income and expenditure, obtains relevant data, adopts qualitative and quantitative analysis, explores the general problems of it, and puts forward corresponding methods.

**Keywords:** College students; personal finance; quantitative and qualitative analysis; financial current situation.

### **1. The necessity of personal finance for college students**

With the development and progress of The Times, the reform and opening up for 30 years, the market economy concept has been deeply rooted in the hearts of the people, but no necessary financial education for college students, because from the traditional concept, people have income is not financial, even some people think that finance is a rich thing, the poor is unreasonable. As a pure consumer group, college students do not have to have the relevant knowledge of financial management. In fact, this is a misunderstanding of financial management, which is not conducive to the smooth growth of college students, nor to the development of future society. Relevant data at home and abroad shows that financial education is not a dispensable thing, but the earlier the better. Financial education for college students is a blessing for individuals, families and society, so we must strengthen financial education for college students. Putting "children" and "money" together is a thing that worries Chinese parents. It seems that children will get bad when they contact money. Unlike Chinese education, many Western children begin to contact money early on and learn to

manage financial management. In the United States, children can recognize coins and paper money from the age of 3; age 10 to save a little money per week to prepare a lot of expenses; 11 ~ at 12, know to implement more than two weeks, understand to correctly use the terms in banking... Our financial education is obviously much behind, more than 85% of the children in our country do not manage money, and financial business is one of the basic qualities for people in modern society. This project believes that it is very necessary for college students to learn about personal finance.

## **2. Analysis of the status quo of personal finance of college students**

(1) Sample survey of investment and finance management of college students.

We took the method of sampling questionnaires to collect different data by issuing questionnaires to college students of different genders, different grades, and different majors. A total of 1125 questionnaires were filled out, of which 1075 valid questionnaires were recovered.

We found in 1,075 effective questionnaires that the size of these different sources of income had some impact on the investment and financial management of college students.

Of the 1,075 valid questionnaires, The income source of college students is passed through the following ways: 1) parents (46.08%); 2) Part-Time (31.62%); 3) Work-study program (12.27%); 4) does investment projects (8.72%); 5) Other (1.32%) combined with data with text, We can understand that the income sources / channels of college students are not wide, In addition to our most common sources from our parents; Work-study program; And beyond the part-time job, This channel is very small by doing their own investment projects (8.71%) and other (1.32%), There were no routes other than the above 5 types.

After analysis, there are three main reasons for this one: 1) the students themselves lack the courage to explore and try new channels; 2) the school did not play a good role, did not create opportunities for more students; 3) the financial resources of scholarships / grants delegated to college students are small or too small;

(2) Analysis of the influencing factors of investment and financial management for college students.

According to the factor analysis method, the samples are subdivided, according to the amount size of different income sources on the average monthly investment amount of college students. Here we analyze the impact of parent, part-time and work-study income on average monthly investment. We divided our income into six segments 0-400; 400-800; 800-1200; 1200-1600; 1600-2000; 2000-2400; corresponding monthly income in different amount segments as follows. All data were combined into a histogram (see Figure 1):

According to the data, whether the income comes from their parents, part-time jobs or work-study programs, they are in line with the law: with the increase of income, the amount of disposable money increases, and the monthly amount of college students for investment also increases. Analyze the data, we can obtain that the fastest growth of different revenue sources is 1200 (\$), the transition of 800-1200 and 1200-1600, slowly reaching saturation at 2000 (\$), the transition of 1600-2000 and 2000-2400. It can be inferred that the amount of different sources of income increases faster after beyond 2,400 yuan, while producing a new saturation point.

It can be seen that with the increase of the monthly income of college students, the average monthly amount for investment also increases, which will eventually reach a saturation and have a downward trend. The main cause of this trend is from spending by college students.

(2) Regression analysis of the relationship between college student expenditure and investment.

Due to the different ways that different college students control their own income, the amount of funds available to each person to invest is different, which constitutes different investment preferences. In order to study the impact of college students' expenditure on their investment, monthly per capita expenditure is divided into six independent variables, 400, 800, 1200, 1600, 2000 and 2400. Number of investment as dependent variables, according to 1075 valid survey data, as following: the regression equation of per capita expenditure amount (X) on investment amount (Y) calculated by EXCEL, primary function  $Y = -0.1895X + 412.13$ , whose fit is  $R^2 = 0.91314$ .

### **3. Problems and measures existing in the current situation of financial management**

Through the analysis of income and expenditure, questionnaire data and consumption situation of college students to identify the problems in financial situation, and propose corresponding measures for these problems. The details are as follows:

(1) Analysis of the reasons for the insufficient investment and financial management of college students

1. Financial awareness is not high. Through the data analysis of income sources (using qualitative and quantitative analysis methods), we can get that college students only account for 8.71% of their income by doing investment projects, which shows that college students' financial awareness is not strong and the use of financial tools is too low. In addition, we can also observe from Table 1-1 that their income source is narrow, which directly affects the disposable funds of college students, and thus their degree of investment.

2. is spending blindly, with no plans. Through the regression analysis between

expenditure and investment, it is not difficult to conclude that the direct cause of the decrease in investment is the amount of expenditure, that is to say, the more the expenditure, the decrease of the remaining disposable funds, thus affecting the decrease of investment. Below, we further explain how the consumption structure of college students affects the change of investment. The second point is as follows: 2) Statistics the specific flow of college students (that is, its consumption structure) and the remaining disposable funds excluding daily consumption. So that the consumption structure of college students is as follows: shopping on Taobao is about 54% of remaining disposable funds; entertainment and tourism is about 32% of remaining disposable funds; cosmetics is about 10% of remaining disposable funds, then remaining disposable funds are placed in investment and finance is about 4%. Through the analysis, we can see that the consumption structure of college students is an unbalanced system, that is, no planned blind expenditure. In addition to the large amount of daily remaining disposable money spending on shopping and entertainment, phone charges spend very less on investment and finance. In order to illustrate the planned expenditure of college students, we present a survey in the questionnaire whether students have accounting habits: 18.71% of students with accounting habits, 42.67%; once, but later abandoned 38.62%; 96.67% of students with accounting habits, but not 4% of students with no accounting habits. It can be found that in the 1075 valid questionnaires, college students with bookkeeping habits accounted for less than a quarter of accounting habits, but the students with investment and financial behavior are basically from the students with accounting habits. Combined with the analysis results of the flow ratio of the remaining disposable funds and the accounting habits, it can be summarized that the blind expenditure and unplanned expenditure of college students have a great impact on their investment and financial management.

(2) Measures to promote financial investment for college students:

1. Students play a role. (1) to cultivate bookkeeping habits, rational consumption. According to the above data analysis, 96.67% of college students with accounting habits have the habit of investment and financial management. We college students should cultivate this habit to let our expenses outflow in a direction and consume rationally. (2)'s planned spending knows moderation. It is not enough to understand that bookkeeping, moderation is necessary; daily bookkeeping but unrestrained expenditure, let alone financial management. (3) Cook only as much rice as you have. Before moderation, we should first "measure" their own income, "for" their own spending, to avoid becoming a "negative weng". (4) Live with financial tools to create income, so that "money generates money to regenerate money".

The 2, schools play a role. Give students some courses on investment and financial management, distribute professional financial brochures, and hold investment and

financial lectures. Make more college students know about investment and financial management; implement encouraging policies for active participants. For example, some school-level certificates will be issued to active participating students. In order to test the effect, some competitions can be held about investment and financial management; establish an online financial management knowledge discussion area. This can not only solve college students' doubts about investment and financial management at any time, but also promote the mutual communication between students and students at different levels, expand the scope of making friends, and create a group centered on college students' campus financial management. Send professionals to set up points on campus for consultation and improve the disadvantages of the online financial knowledge discussion area. The problems solved in the online knowledge discussion area are limited, no professional explanation face to face and guidance; in the campus special professional consultation site can relieve this short point; increase the amount of scholarship to increase the income of college students, to promote their investment and financial management.

The State plays a role (strengthened). In terms of education policies, policies on the popularization of investment and financial knowledge for college students can be formulated to supervise the effective implementation of schools. In terms of financial institutions, they are encouraged to pay great importance to the potential market of financial management, and go to campus to explain and publicize for students, analyze the significance of financial management and the benefits of participating in personal finance for college students. At the same time, guide college students to learn relevant knowledge in financial management, improve their attention to personal finance, and more actively participate in personal finance. Such as providing work related to financial management (suitable for different grades).

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