2001 Credit Card Usage Analysis

Nellie Mae, Summary Statistics, Credit Card Usage Analysis, April 2002

Executive Summary

Undergraduate college students are carrying credit cards in record numbers. The percentage of students holding at least one card in 2001 has risen 24% since 1998.

Although freshmen have the lowest rate of card possession among undergraduates, 54% carry a credit card. The percentage of students with at least one card increases to 92% in sophomore year.

Only 23% of freshmen, on the other hand, have a student loan. For many students entering college today, their first credit experience is with a credit card whereas ten years ago it was through a student loan.

The median debt level among card-carrying undergraduates – where half the population have balances lower than this amount and half have balances higher – has risen to $1,770, up from $1,236 in 2000. This is an indicator that more students are using their cards regularly and may not be paying off the balances each month.

The good news is that average credit card balances among students who have cards have decreased from the previous average calculated in 2000, and the percentage of students with balances greater than $7,000 has also declined.

Nellie Mae has conducted three credit card studies since 1998. Because of the consistent methodology of each year's study, the patterns of behavior related to credit card usage among the undergraduate population reveal meaningful comparisons and trends. Other highlights of the 2001 study include the following:

- 83% of undergraduate students have at least one credit card; a 24% increase since 1998.
- Average credit card balance is $2,327; a 15% decrease from the 2000 average.
- Median credit card balance is $1,770; a 43% increase above the median in 2000.
- 21% of undergraduates who have cards, have high-level balances between $3,000 and $7,000; a 61% increase over the 2000 population.
- Graduating students have an average of $20,402 in combined education loan and credit card balances.
- Students residing in the Northeast use credit cards the least, while Midwesterners carry the highest average credit card balances.

Students double their average credit card debt - and triple the number of credit cards in their wallets - from the time they arrive on campus until graduation.