Abstract
A common problem facing young adults today is the struggle to find financial stability due to a lack of information about beginning the process of building credit while pursuing higher education. Through a combination of research using government sources, experts in the field, and approved online sources, information about the steps one can take to build credit before obtaining a full-time position of employment will be explored. Using the information collected through the research as well as feedback from students about their current level of knowledge concerning the credit-building process, a program that serves to educate college students about the different methods of credit-building will be developed and implemented next year.

Background
One’s credit score is a three-digit number that is a numerical representation of how likely one is to repay a debt. Credit scores are reviewed and analyzed by a number of different financial institutions in order to determine whether or not an individual qualifies for loans for home, auto, and personal purposes. Looking at one’s credit score allows lenders to quickly gather information about a potential borrower’s financial history. The graph below breaks down each facet that goes into determining one’s credit score, including one’s credit history, payment history, the age of one’s credit, how much one owes to the credit company, and what type of credit has been used (loan vs. credit card.)

Research Method
A survey was developed and administered gauging the knowledge of current college students from each year: freshman, sophomore, junior, and senior. The survey asked participants what forms of credit-building they were familiar with, including credit card and taking out loans for both academic and personal purposes. After the survey was administered, the results were analyzed and used in order to determine what demographic of college students would be best served by a program to educate them on how to begin the process of building a credit score.

Survey Results

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<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>Do you currently have any credit cards under your name?</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>Are you currently a signer on any loans?</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Which sentence most accurately reflects your opinion on credit card usage?</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Have you ever used a web-based service to check your credit score?</td>
<td>90%</td>
<td>10%</td>
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Results
After analyzing the collected data, it is evident that there is a negative stigma attached to using a credit card as a way to begin building credit. When asked about their feelings concerning credit card usage, respondents most frequently voiced their concern with lacking the necessary self-control. Analyzing the data also shows that upperclassmen have a higher level of knowledge of the steps to building one’s credit score. Only 17% of the respondents had ever used a online service such as CreditKarma to check their credit score, and only 11% of the respondents currently have any credit card debt in their name.

Conclusion
Based on the data collected from the pool of Morehead Students who were surveyed regarding their knowledge of the credit building process, it’s evident that the ideal audience for a program centered on credit-building is incoming freshmen, as learning about the process at the start of one’s time spent in college provides ample time to have built a reasonably high credit score by the time one graduates. If offered as part of the First Year Seminar course mandated by Morehead, the program would serve to educate students on the credit-building process at a point in their lives when they could apply the knowledge to their financial activities over the span of their years spent in college.

- Develop an FYS module with the purpose of introducing freshmen to the credit-building process.
- Assist students with the process of applying for credit cards
- Prepare a comprehensive guide on the best credit cards
  - Best credit cards for student use
  - Glossary of financial jargon

References