

AN INVESTIGATION OF CREDIT CARD KNOWLEDGE
AND PRACTICE BY WOMEN IN DENTON, TEXAS

A THESIS

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CHAPTER 1

INTRODUCTION

Credit has become an integral component of the American economy as a means by which consumers are able to obtain goods and services. Credit, once thought to be a privilege, is being recognized by federal legislation as a right to all who are able to assume the responsibilities associated with this method of purchasing. The establishment of an individual credit identity is an important asset to the achievement of financial independence in society. The individual credit identity can determine the availability of funds to meet needs for goods and services when they arise.

Establishing an individual credit identity is particularly important to women because many changes are occurring in society which dictate a need for women to prepare themselves for financial independence. According to the United States Census Bureau, approximately 85 percent of all women who are married now will be single at some point in their lives (Cerra, 1979). Factors which have increased the importance of financial independence for women are mounting rates of inflation, increasing life expectancy of women, rising rates of divorce, and growing numbers of women heads of households (Urban Institute, 1979).

Women are showing an increase in their need and obtainment of financial resources. The majority of women who work in the labor

force do so out of economic need and 60 percent of all women of working age are employed (U.S. Department of Labor, 1980). Participation in gainful employment can enable women to obtain credit and build credit identities. One method of establishing an individual credit identity is through the use of credit cards. The establishment and evaluation of an individual credit identity are important to women's achievement of financial independence.

Statement of the Problem

Despite the federal government's efforts to guarantee all citizens the right of equal access to credit, few women are taking advantage of the opportunity to practice their credit rights (Durkin, 1975; Jacob, 1975; Samuels, 1976) and establish their own credit identities (Samuels, 1976; Wright, 1977; Board of Governors, Note 1). In a 1980 nationwide study conducted by the Roper Organization (Note 2), 64 percent of all women were found to be credit card holders, but only 27 percent had credit cards in their own name. Wright (1977) found that 42 percent of married couples with young children used credit cards in the husband's name only. Samuels (1976) found that wives showed little interest in their credit rating; many had not inquired about their credit rating at a credit bureau. Women who have not established credit in their own names may find financial independence difficult in the future. A tool for assessing credit card knowledge and credit card practices is needed to evaluate women's credit identity.

Purpose of the Study

The purpose of this study was to collect and analyze data related to women's credit card status as determined by assessing credit card knowledge and credit card practices.

Objectives

Specific objectives of this study were: (a) to develop and implement a measurement tool based upon credit card knowledge and credit card practices which could be used as a standard for determining women's credit card status, and (b) to identify significant relationships between selected demographic characteristics and women's credit card status score.

Hypotheses

The hypotheses tested were based upon the perceived relationship between the independent variables of: (a) age range, (b) education completed, (c) formal consumer education, (d) marital status, (e) number in household, (f) yearly household income, (g) occupation, (h) years paid employment, (i) number of credit cards used, (j) number of credit cards in own name, (k) husband's years paid employment, and (l) husband's occupation to the dependent variable of women's credit card status score.

The following null hypotheses were investigated:

1. There is no significant relationship between women's credit card status score and age range.

2. There is no significant relationship between women's credit card status score and education completed.

3. There is no significant relationship between women's credit card status score and formal consumer education.

4. There is no significant relationship between women's credit card status score and marital status.

5. There is no significant relationship between women's credit card status score and number in household.

6. There is no significant relationship between women's credit card status score and yearly household income.

7. There is no significant relationship between women's credit card status score and occupation.

8. There is no significant relationship between women's credit card status score and years paid employment.

9. There is no significant relationship between women's credit card status score and number of credit cards used.

10. There is no significant relationship between women's credit card status score and number of credit cards in own name.

11. There is no significant relationship between women's credit card status score and husband's years paid employment.

12. There is no significant relationship between women's credit card status score and husband's occupation.

CHAPTER II

REVIEW OF THE LITERATURE

The purpose of this chapter is to identify concepts and data related to the use of credit in the United States. Such concepts and data provided a basis for the design of this research study.

Description of Credit

Credit, as a method of buying, brings with it certain rights and privileges primarily because the elements of "time" and "risk" are involved. Because of these elements, the creditor has the right to decide to whom credit will be extended. Consumers must, therefore, convince creditors of their ability to meet credit obligations (Cole, 1976, p. 10). Prior to passage of consumer protection legislation in the 1960's, lenders viewed credit only as a privilege. The federal government increased its role in regulating credit to insure equal availability of credit to every consumer who has the ability and willingness to repay (U.S. Department of Commerce, 1976).

Availability of Credit

Credit availability has been determined by factors related to a person's: (a) willingness to repay a debt, (b) ability to repay the debt, and (c) possession of assets to secure the debt (Federal Reserve Board, 1980). Most credit lenders use credit scoring systems based upon point values for information related to the above factors to determine consumers' creditworthiness (Nevin & Churchill, 1979;

Newman & Kramer, 1979). Apilado, Warner, and Dauten (1974) identified the following variables as significant predictors of credit risk for creditors: (a) home status, (b) checking account, (c) loan purpose, (d) loan terms, (e) loan amount, (f) borrower age, (g) employment length, (h) gross monthly income, (i) security available, and (j) marital status. Persons unable to obtain full access to credit were described as either unskilled, retired, poor, young, old, student, or homemaker (U.S. Department of Agriculture, Note 3).

Credit Use in the United States

Credit has become an important and widely accepted method of purchasing in the United States. In 1977 consumer credit totaled \$260 billion showing a growth of over ten times the amount outstanding in 1950 (Durkin & Elliehausen, 1978). Total consumer installment credit rose from \$216 billion in 1977 to \$313.4 billion in 1980 (National Consumer Finance Association, 1981). In spite of the current reduction in funds available by lenders, high interest rates on credit, and decline in demand of some consumer goods, revolving charge credit increased by \$2.9 billion from 1979 to 1980 (National Consumer Finance Association, 1981). In 1978, Americans allocated 17½ percent of their personal incomes for credit as opposed to 13 percent in the early 1970's (Manufacturers Hanover Trust, 1979). The purchase of retail goods on credit rose from 29 percent of household income in 1975 to 38 percent in 1978 (Manufacturers Hanover Trust, 1979). Durkin and Elliehausen (1978) found that half of American families

had credit debts outstanding and that the amount of that debt had increased greater than the consumer price index since 1970. This increase in credit use and growing attitude that credit is good (Durkin & Elliehausen, 1978) indicate a rapid acceptance of credit as a method of purchasing by American consumers. *Wright*

Since 1965, credit cards have increased in number over 300 percent (Penner, 1975) and are used by a majority of American families (Durkin & Elliehausen, 1978; Samuels, 1976; Wright, 1977). Awh and Waters (1974), Mandell (1972), and Lugo (1974) found that if a person used credit cards they usually used more than one. Wright (1977) and Poole (1977) found that most families kept records of their credit card purchases. A substantial percentage of families tended to pay credit card bills in total each month (Durkin & Elliehausen, 1978; Wright, 1977). Husbands and wives were reported to decide jointly what purchases were made with credit cards (Samuels, 1976; Wright, 1977). Most credit card use was made in either the husband's name only or husband's and wife's name, but seldom in the wife's name only (Samuels, 1976; Wright, 1977).

Research studies have identified numerous variables affecting the use of consumer credit by families and individuals. Such variables include: (a) income (Awh & Waters, 1974; Durkin & Elliehausen, 1978; Parker & Shay, 1974; Wright, 1977), (b) age (Awh & Waters, 1974; Durkin & Elliehausen, 1978; Turpin, 1973; White, 1975), (c) stage of family life cycle (Durkin & Elliehausen, 1978; McAfee, 1973; Turpin,

1973), (d) education (Awh & Waters, 1974; Hirschman, 1979; White, 1975), (e) number in household (Durkin & Elliehausen, 1978), (f) husband's occupational status (Awh & Waters, 1974; Hirschman, 1979; U.S. Department of Agriculture, Note 3), and (g) length of employment (Apilado, Warner, & Dauten, 1974; Lugo, 1974).

Federal Regulation of Credit

Since the 1960's the federal government has increased its role in the regulation of consumer credit. Legislation was enacted to protect and inform credit users. Guidelines were established in the granting and management of credit lenders.

Federal Credit Legislation

The 1968 Consumer Credit Protection Act's Title I, known as Truth-in Lending, required the full disclosure of annual percentage rates, finance charges, credit terms, and credit card policies. The Fair Credit Reporting Act of 1971 provided guidelines for the fair and equitable reporting of credit information about consumers including a procedure for correcting mistakes on credit history. Billing errors must be promptly corrected according to procedures established in the 1974 Fair Credit Billing Act. The Equal Credit Opportunity Act of 1974 and its Amendments of 1976 prohibit creditors from discriminating against consumers in the granting of credit based upon sex, marital status, race, color, religion, national origin, and age. Regulation B of the Equal Credit Opportunity Act insured the right of women to establish their own credit history and identity. These laws represent

major federal credit regulations (Federal Reserve Board, 1980).

Consumers' Awareness of Credit Legislation

Findings from studies of consumer credit indicated that although consumers show an increase in knowledge of annual percentage rates since consumer legislation was passed, consumers have a limited knowledge of the provisions of that legislation (Day & Brandt, 1974; Durkin & Elliehausen, 1978; Durkin, 1975; Jose, 1972; Parker & Shay, 1974; Turpin, 1973). Awareness of annual percentage rates appeared to increase with education (Awh & Waters, 1974; Day & Brandt, 1974; Durkin & Elliehausen, 1978; Parker & Shay, 1974), and marital status (Durkin & Elliehausen, 1978); awareness appeared to decrease with age (Durkin & Elliehausen, 1978).

Durkin and Elliehausen (1978) found that consumers had only a slight awareness of the provisions of Federal credit legislation. Based on a survey of eight large creditors, the Board of Governors of the Federal Reserve System (Note 1) concluded that public awareness of credit laws tended to develop slowly.

Consumers' Practice of Credit Rights

Consumers identified perceived violation of rights most often in the granting of credit, but took action most often in settling billing errors (Durkin & Elliehausen, 1978). Billing errors were usually settled by complaining to the creditor, although over 73 percent of credit card holders were unaware of provisions in the Fair Credit Billing Act (Durkin & Elliehausen, 1978). Durkin and Elliehausen

(1978) and Samuels (1976) found that few consumers shop for credit. Credit use by families was more likely to be extended in the husband's name than the wife's name (Samuels, 1976; Wright, 1977). The 1978 Annual Congressional Report of the Equal Credit Opportunity Act (Note 1) disclosed that only 11 percent of customers requested the establishment of separate credit histories for spouses. Research findings tended to identify credit use rather than practice of credit rights.

Little was known about the affect consumer education had on credit card knowledge and credit card practices. Jacoby, Chestnut, and Silberman (1977) concluded that consumer education was necessary for consumers to effectively use information available to them in purchasing, while Crosby and Taylor (1981) found that consumers had difficulty applying what they had learned through consumer education.

Women's Use of Credit

Several studies attempted to identify factors related to women's knowledge and use of credit. Many studies indicated that women's knowledge of annual percentage rates and credit legislation was substantially low (Durkin, 1975; Jacob, 1975; Parker & Shay, 1974; Samuels, 1976; Turpin, 1973). Family income and level of education were identified as the best predictors of credit knowledge (Dickinson, 1974; Hull, 1978; Parker & Shay, 1974; Samuels, 1976).

Studies confirmed that most women did not use credit in their own names (Samuels, 1976; Wright, 1977). In a 1980 nationwide study

conducted by the Roper Organization (Note 2), 64 percent of women were found to be credit cardholders, but only 27 percent had credit cards in their own names. Credit decisions tended to be made by husbands or husbands and wives jointly (Poole, 1977; Samuels, 1976; Wright, 1977). A majority of women indicated that they do not shop for credit (Poole, 1977; Samuels, 1976). Samuels (1976) found that wives showed little interest in their credit rating and most had not inquired about their credit history at the credit bureau.

Summary

The review of literature has investigated credit as a method of purchasing, availability of credit, use of credit, federal regulation of credit, and women's use of credit as related to credit cards. Credit has become an important and widely used method of purchasing in the country. Availability of credit may determine the purchase of goods and services when needed. The federal government has passed legislation to eliminate discriminatory practices in the granting of credit, however, women do not appear to know or practice these rights. Continuing growth of the rate of inflation, rising rates of divorce, and increasing numbers of women heads of households emphasize the need for women to seek financial independence. One critical factor in financial independence is the establishment of an individual credit identity. Without a separate credit identity, creditworthiness cannot be ensured. Existing literature provides a limited amount of empirical data on women's credit knowledge and practices and reveals an even

greater need to examine these concepts in relation to establishment of an individual credit identity.

CHAPTER III

RESEARCH PROCEDURE

This chapter presents the plan followed in conducting the research and a definition of terms used in the study. Sections include sample population, instrument development, scoring procedure and data analysis, and definition of terms.

Sample Population

Women 18 years and older residing in the city of Denton, Texas were the population group for the study. The 1980-81 Texas Almanac estimated a population of 42,693 residents of which 75 percent were at least 18 years of age or older (U.S. Department of Commerce, 1977). Fifty-four percent of the population was estimated to be female (U.S. Department of Commerce, 1977). The approximate population for this study was estimated to be 23,140 women age 18 or older.

As determined by resources available to the researcher, 208 residents were selected to participate in this study. A total list of households from the 1980-81 Denton City Directory was used to select residents. Prospective subjects were chosen in intervals of equal amounts after randomly choosing the first resident until the whole sample was chosen (Compton & Hall, 1972, p. 196). Subjects had to meet the requirements of: (a) female, (b) 18 years of age or older, and (c) resident of Denton city. Residents who met the requirements and chose to participate in the study by returning a

completed questionnaire were identified as the subjects for this study. A total of 51 women met the requirements and returned completed questionnaires to the researcher.

Instrument Development

A mailed, self-administered questionnaire was used to collect data because of the large sample size. Since a review of the literature and a search of sources of instruments did not reveal any existing instrument for measuring women's credit card status, an original instrument was developed.

Instrument Design

The questionnaire was designed to determine the significance of selected independent variables upon the dependent variable of women's credit card status score. The questionnaire was divided into three sections: (a) demographic data, (b) credit card knowledge, and (c) credit card practices. Each of these three sections represented a category from the conceptual framework. Appendix A contains a diagram of the conceptual framework for this research study.

Description of the Variables

The variables selected for this study were based upon information as identified from the literature. The independent variables were contained within the demographic data. The intervening variables were identified within credit card knowledge and credit card practices. The dependent variable was women's credit card status score. Each of these three types of variables is described.

Independent variables. The independent variables for this study were identified in questionnaire items related to the demographic characteristics of the subjects. The variables investigated were:

A. Personal Characteristics

1. Age range
2. Education completed
3. Participation in consumer education

B. Family characteristics

1. Marital status
2. Number in household

C. Financial characterists

1. Yearly household income
2. Occupation
3. Years paid employment
4. Number of credit cards used
5. Number of credit cards in own name
6. Husband's years paid employment
7. Husband's occupation

Intervening variables. The intervening variables for this study were contained in questionnaire items related to the credit card knowledge and credit card practices of the subjects. The variables investigated were:

A. Credit card knowledge

1. Credit terminology

- a. Definition of credit
 - b. Definition of finance charge
 - c. Definition of credit rating
 - d. Definition of creditworthness
 - 2. Credit cost
 - a. Determining cost of credit
 - b. Comparing cost of credit
 - c. Reducing cost of credit
 - d. Liability with credit
 - 3. Credit legislation
 - a. Consumer Credit Protection Act
 - b. Equal Credit Opportunity Act
- B. Credit card practices
- 1. Credit selection
 - a. Shopping for credit
 - b. Reason for using credit
 - c. Credit decisionmaking
 - 2. Bill paying
 - a. Promptness of payment
 - b. Record keeping
 - c. Handling billing error
 - 3. Establishment of credit identity
 - a. Credit cards in own name
 - b. Review of credit file

c. List of credit cards

d. Denial of credit

Refer to Appendix B for a chart of the questionnaire item development which identifies questionnaire items measuring the variables for each category of the conceptual framework. Appendix C contains a copy of the items asked on the questionnaire.

Dependent variable. The dependent variable in this study was women's credit card status score. Each questionnaire response for items measuring the two intervening variables of credit card knowledge and credit card practices was given a point value creating an ordinal measure. The women's credit card status score was determined by totaling the point values of the questionnaire responses and multiplying that total by 3.3 . The highest possible score which could be obtained was 100.

Reliability and Validity of the Instrument

A pilot test of the instrument was conducted among students at Texas Woman's University, Denton, Texas, and women faculty members at Kennedale High School, Kennedale, Texas, to determine reliability. Several items on the questionnaire were revised according to results of the pilot test, therefore, statistical analysis of reliability was not performed at this time.

The revised questionnaire was pre-tested among 33 women at the James A. Arthur Elementary School, Kennedale, Texas, and the First Baptist Church of Forest Hills, Fort Worth, Texas, to test the

reliability of the revised questionnaire. Reliability of the instrument was increased by designing an inflexible scoring key of responses to make scoring objective.

Validity of the instrument was determined by a panel of judges and factor analysis of pre-test data. A panel of five professionals in the consumer field judged the representativeness of each item as a measure of credit card knowledge and credit card practices to determine content validity. Factor analysis was performed on the pre-test data to determine construct validity of the instrument. Minor modifications of item structure were made before the questionnaire was mailed to subjects.

Administering the Instrument

The initial mailing containing the cover letter, questionnaire, postage-paid post card, postage-paid envelope, and incentive flyer was mailed to the 208 Denton residents chosen to participate in the study on June 15, 1981. The cover letter, indicating a return date of July 1, 1981, explained the purpose of the research study and enclosed correspondence. The questionnaire was the tool on which the data were obtained. A postage-paid post card provided a means for subjects to receive a scoring key of the questionnaire responses. Subjects were advised to keep a record of their responses and to calculate their credit card status scores after they received the key. A flyer listing free consumer credit publications from the Federal Trade Commission was included to encourage interest in participation and to provide

additional information to participants. A postage-paid envelop was provided for the return of the completed questionnaire to the researcher. Appendix E contains copies of correspondence used in this study.

Follow-up telephone calls were made to a random sample of 100 residents who had not returned the post card one week after the initial mailing. Residents who indicated they no longer had a questionnaire and would participate in the study were mailed a second questionnaire with all correspondence enclosed. A total of 51 completed questionnaires were returned to the researcher.

Questionnaire Scoring Formula

The questionnaire was scored according to the following procedure:

1. Questions 1 through 12 related to the demographic data which contained the independent variables. No scoring was done with information obtained from these questions. The information obtained by these questions was used to categorize and describe characteristics of the subjects. These variables were analyzed to determine the significance of their relationship to the women's credit card status score.

2. Questions 13 through 22 related to the intervening variable of credit card knowledge. Each question had one correct response. Each correct response was given a point value of 1 and each incorrect response was given a point value of 0. The total possible points which could be scored on this section of the questionnaire was 10.

3. Questions 23 through 32 related to the intervening variable of credit card practices. Each question had six possible answers

which were each given point values based upon the degree of acceptability to credit use. A most acceptable response was given a point value of 2, an acceptable response a point value of 1, and an unacceptable response a value of 0. The total possible points which could be scored on this section of the questionnaire was 20.

The women's credit card status score was calculated by totaling response scores from sections two and three of the questionnaire (credit card knowledge and credit card practices) and multiplying that total by 3.3. The total score which could be obtained from these 20 questions was 100. Refer to Appendix D for questionnaire scoring key.

Scoring Procedure and Data Analysis

This section describes the procedure used in processing and analyzing the data obtained in this study. Since responses to the questionnaire were precoded, subject responses were processed for tabulation by the computer.

Scoring Procedure

The demographic data in section one of the questionnaire was scored using respondent counting to obtain the number of respondents who give a particular response for each independent variable. Data obtained from the second and third sections of the questionnaire were scored objectively based upon designated point values for each response. The subject's credit card status score was determined by totaling the number of points obtained from responses and multiplying that total by 3.3.

Data Analysis

Descriptive statistical analysis was performed on women's credit card status score, as well as the two component parts of credit card knowledge and credit card practices. Means, medians, modes, frequency distributions, and standard deviations were calculated for each of the twelve independent variables in relation to the dependent and intervening variables.

The hypotheses were tested using the Spearman correlation coefficient and Kruskal-Wallis non-parametric one-way analysis of variance at the .05 level of significance. Hypotheses 1, 2, 3, 5, 6, 8, 9, 10, and 11 were tested using the Spearman correlation coefficient to identify significant relationships between the dependent variable and ordinal independent variables. Hypotheses 4, 7, and 12 were tested using the Kruskal-Wallis non-parametric one-way analysis of variance to identify significant relationships between the dependent variable and nominal independent variables. Although not necessary for testing the hypotheses, the statistical tests were also performed on each of the component parts of the women's credit card status scale: credit card knowledge and credit card practices to identify any significant relationships between the intervening variables and independent variables.

Definition of Terms

The following definitions of terms related to credit cards and operational definitions of concepts identified for purposes of this

study. Terms and concepts to be used in this study are:

1. Annual percentage rate--the percentage cost of credit on a yearly basis.
2. Charge account--line of credit that may be used repeatedly up to a certain specified limit (Fujarski, 1979).
3. Credit--an arrangement to receive cash, goods, or services now and pay for them in the future (Fujarski, 1979).
4. Credit bureau--a reporting agency which assembles credit and other information on consumers to supply such information to others concerning a consumer's creditworthiness (Fujarski, 1979).
5. Credit card--a plastic card issued by a creditor, representing a type of charge account which allows individuals to obtain cash, goods or services, according to an established credit arrangement (Fujarski, 1979).
6. Credit card knowledge--in this study, credit card knowledge consisted of a combined assessment of credit terminology, credit cost, and credit legislation as related to credit card use.
7. Creditor--a person or a business who, in the ordinary course of business, regularly extends or arranges for the extension of consumer credit (Fujarski, 1979).
8. Credit card practices--in this study, credit card practices consisted of a combined assessment of credit selection, bill paying, and establishment of credit identity as related to credit card use.

9. Credit rating--evaluation of a person's previous credit experience (Fujarski, 1979).
10. Creditworthiness--ability to repay debts (Fujarski, 1979).
11. Debt--the total amount owed to a creditor for the use of credit.
12. Finance charge--the total of all charges to be paid to get credit.
13. Formal consumer education--any organized educational program based upon consumer concepts.
14. Revolving charge account--an account in which the store states a maximum amount of money owed the store at any one time. The consumer agrees to pay at least a minimum amount on the balance every month and to pay interest on the unpaid balance owed (Porter, 1979).
15. Women's credit card status score--a composite measurement of a subject's credit card knowledge and credit card practices as determined by the women's credit card status scale.

CHAPTER IV

RESULTS

This chapter contains a description of the subjects, a description of the data collected, and the results of the statistical analysis of the data. The Spearman correlation coefficient and Kruskal-Wallis non-parametric one-way analysis of variance were used to determine significant relationships between the independent, dependent, and intervening variables.

Description of the Subjects

Table 1 contains a detailed description of the 51 women who participated in this study. The data was obtained from items 1 through 12 on the Women's Credit Card Status Score Questionnaire.

Personal Characteristics

A majority (70%) of the subjects ranged in age from 25 to 54 years. Most subjects (75%) had either taken higher education courses or completed a college degree. A majority (57%) of the subjects had taken consumer education classes in which 28 percent were at the college level.

Family Characteristics

Over 80 percent of the subjects were married while 14 percent were single. Almost 40 percent of the women had three to four persons in the household, while 31 percent had two persons, and 18 percent had five to six persons.

Financial Characteristics

Over half of all subjects (57%) had family incomes above \$25,000, 26 percent ranged from \$25,000 to \$29,999, and 24 percent fell in the \$35,000 and above category. Almost half of the subjects (47%) had professional, technical, or managerial occupations; ten (20%) were not employed. All subjects indicated that they had acquired some years of paid employment; 16 percent had one to four years, 31 percent had five to nine years, 28 percent had ten to twenty years, and 26 percent had more than twenty years. All but five subjects used credit cards for purchasing; 11 (22%) used one to two credit cards, 22 (43%) used three to six credit cards, 8 (16%) used six to nine credit cards, and 5 (10%) used ten or more credit cards. Subjects had fewer numbers of credit cards in their own name than the number of credit cards they used. One subject had ten or more credit cards in her own name, 4 subjects had six to nine credit cards in own name, 19 subjects had three to six credit cards in own name, 14 had one to two credit cards in own name, and 12 had no credit cards in own name. All married subjects indicated that their husbands had at least five years of paid employment; 5 (10%) had five to nine years, 12 (24%) had ten to twenty years, and 24 (47%) had more than twenty years. Over half of the subjects (57%) indicated that they had husbands who worked in professional, technical, or managerial occupations. Other occupations of clerical/sales, machine trades, and other employment had two husbands in each category.

Table 1
Characteristics of the Subjects

Variable/Classification	Number	Percent
Age range		
18-24	4	7.8
25-34	12	23.5
35-44	12	23.5
45-54	12	23.5
55-64	8	15.7
65 or older	3	5.9
Education completed		
none	0	0
elementary school	0	0
some high school	1	2.0
high school graduate	5	9.8
some college, business, vocational, trade school	18	35.3
college graduate	20	39.2
graduate degree	7	13.7
Consumer education		
none	22	43.1
high school	8	15.7
trade school, community	5	9.8
college	14	27.5
graduate school	2	3.9
Marital status		
single	7	13.7
married	41	80.4
separated	1	2.0
divorced	2	3.9
widowed	0	0
Number in household		
1	6	11.8
2	16	31.4
3-4	20	39.2
5-6	9	17.6
7 or more	0	0

Continuation of Table 1

Variable/Classification	Number	Percent
Yearly household income		
under \$5,000	3	5.9
\$5,000-\$9,999	3	5.9
\$10,000-\$14,999	4	7.8
\$15,000-\$19,999	4	7.8
\$20,000-\$24,999	7	13.7
\$25,000-\$29,999	13	25.5
\$30,000-\$34,999	4	7.8
\$35,000 or above	12	23.5
missing cases	1	2.0
Occupation		
professional, technical, managerial	24	47.1
clerical, sales	6	11.8
service	1	2.0
farming, fisheries, forestry	0	0
processing	0	0
machine trades	1	2.0
bench work	0	0
structural work	0	0
other employment	9	17.6
not employed	10	19.6
Years paid employment		
less than one year	0	0
1-4 years	8	15.7
5-9 years	16	31.4
10-20 years	14	27.5
more than 20 years	13	25.5
Number of credit cards used		
none	5	9.8
1-2	11	21.6
3-6	22	43.1
6-9	8	15.7
10 or more	5	9.8
Number of credit cards in own name		
none	12	23.5
1-2	14	27.5
3-6	19	37.3
6-9	4	7.8
10 or more	1	2.0
missing cases	1	2.0

Continuation of Table 1

<u>Variable/Classification</u>	<u>Number</u>	<u>Percent</u>
Husband's years paid employment		
less than one year	0	0
1-4 years	0	0
5-9 years	5	9.8
10-20 years	12	23.5
more than 20 years	24	47.1
not applicable	9	17.6
missing cases	1	2.0
Husband's occupation		
professional, technical, managerial	29	56.9
clerical, sales	2	3.9
service	0	0
farming, fisheries, forestry	0	0
processing	0	0
machine trades	2	3.9
bench work	0	0
structural work	0	0
other employment	2	3.9
not employed	5	9.8
not applicable	9	17.6
missing cases	2	3.9

Description of Data

The data obtained from the women's credit card status scale and each of its two major components--credit card knowledge and credit card practices--are described. Table 2 contains a list of the correct and acceptable responses to all items used for women's credit card status scale. The credit card knowledge scale was composed of items 13 through 22. The credit card practices scale was composed of items 23 through 32.

Women's Credit Card Status Score Scale

The women's credit card status score scale was composed of items 13 through 32 on the questionnaire. The correct and acceptable

responses to these items are listed in Table 2. Based upon a scale of 100 points, the scores ranged from 13 to 83 with a mean of 61.794, mode of 69.300, median of 63.938, and standard deviation of 14.536. Data depicted a slightly negatively skewed distribution. Further description of the data obtained and descriptive statistics are presented in the discussion of the two component parts of the women's credit card status score scale.

Credit card knowledge scale. Most subjects responded correctly to questions measuring definition of credit rating (94%), definition of creditworthiness (77%), determining the cost of credit (75%), and reducing the cost of credit (94%). Two-thirds of respondents were able to recognize how to compare the cost of credit. More than half (55%) of the subjects knew their liability for stolen credit cards. Less than half (47%) of the subjects responded correctly to the definition of credit. Only one-third of the subjects answered correctly to the definition of finance charge. A majority of the subjects did not respond correctly to items dealing with the Consumer Credit Protection Act (69%) and the Equal Credit Opportunity Act (82%).

The credit card knowledge scale, which included items 13 through 22, contained 33.3 possible points. Scores ranged from 7 to 30 points with a mean of 19.476, mode of 19.800, median of 19.580, and standard deviation of 5.532. Data depicted a slightly negatively skewed distribution.

Credit card practices scale. A majority of subjects indicated that they always or frequently did the following: (a) decided when to use credit cards for purchases (78%), (b) made credit card payments when due (92%), (c) compared credit card statements with charge receipts for billing errors (71%), (d) complained to the credit card issuer when bill has errors (78%), (e) have not had applications for credit denied (90%), and (f) kept a list of credit card numbers and addresses (53%). Over one-third (37%) of subjects indicated that either all or most of the credit cards they use are in their own name, while about the same (33%) did not use credit cards in their own name. Almost half (45%) of the subjects indicated that they did not use credit cards to spread the cost of purchases over time. Only 22 percent of subjects always or frequently checked more than one credit source before using credit cards, while 49 percent never did. Most subjects (88%) indicated that they did not review their credit file at the credit bureau.

The credit card practices scale , which included items 23 through 32, contained 66.7 possible points. Scores ranged from 7 to 63 with a mean of 42.318, mode of 49.500, median of 44.825, and standard deviation of 12.639. Data depicted a slightly negatively skewed distribution.

Table 2

Item Analysis of Correct Responses
on the Women's Credit Card Status Scale

Item Number	Item	Number	Percent
Credit Card Knowledge:			
13	Definition of credit	24	47.1
14	Definition of finance charge	17	33.3
15	Definition of credit rating	48	94.1
16	Definition of creditworthiness	39	76.5
17	Determining cost of credit	38	74.5
18	Comparing cost of credit	34	66.7
19	Reducing cost of credit	48	94.1
20	Liability with credit cards	28	54.9
21	Consumer Credit Protection Act	16	31.4
22	Equal Credit Opportunity Act	9	17.6
Credit Card Practices:			
23	Shopping for credit		
	most acceptable response	11	21.6
	acceptable response	15	29.4
24	Reason for using credit		
	most acceptable response	23	45.1
	acceptable response	20	39.2
25	Credit decisionmaking		
	most acceptable response	40	78.4
	acceptable response	5	9.8
26	Promptness of payment		
	most acceptable response	47	92.2
	acceptable response	1	2.0
27	Record keeping		
	most acceptable response	36	70.6
	acceptable response	7	13.7
28	Handling billing errors		
	most acceptable response	40	78.4
	acceptable response	1	2.0
29	Credit cards in own name		
	most acceptable response	19	37.3
	acceptable response	15	29.4

Item Number	Item	Number	Percent
30	Review of credit file acceptable response	6	11.8
31	List of credit cards acceptable response	27	52.9
32	Denial of credit acceptable response	46	90.2

Examination of Hypotheses

Data from the women's credit card status score questionnaire were statistically analyzed to determine significant relationships between the dependent variable of women's credit card status and the independent demographic variables. The Spearman correlation coefficient was used to identify the significant relationships between women's credit card status and the following ordinal variables:

(a) age range, (b) education, (c) consumer education, (d) number in household, (e) income, (f) paid employment, (g) number of credit cards used, (h) number of credit cards in own name, and (i) husband's years paid employment. The Kruskal-Wallis one-way analysis of variance was used to identify significant relationships between women's credit card status and the nominal variables of marital status, occupation, and husband's occupation. The hypotheses stated in the null form and statistical analyses are presented. Tables 3 and 4 contain results of the data analysis for each of the hypotheses.

Hypothesis 1

Hypothesis 1 stated: there is no significant relationship between women's credit card status score and age range. Based on the data in Table 3, Hypothesis 1 was accepted. The obtained Spearman correlation coefficient of -0.0856 was not significant at the .05 level of significance which indicates that a woman's credit card status is not dependent upon her age.

Although not necessary for testing Hypothesis 1, further analysis of the credit card knowledge scale identified a significant correlation between credit card knowledge and age. Using the Spearman correlation coefficient, a correlation of -0.2987 was significant at the .05 level which indicates that high credit card knowledge scores are significantly related to young age. Increase in age tended to lower credit card knowledge score.

Hypothesis 2

Hypothesis 2 stated: there is no significant relationship between women's credit card status score and education completed. Based upon data in Table 3, Hypothesis 2 was accepted. The obtained Spearman correlation coefficient of 0.0027 was not significant at the .05 level which indicates no significant relationship between a woman's credit card status and her highest level of education completed.

Hypothesis 3

Hypothesis 3 stated: there is no significant relationship between women's credit card status score and formal consumer education.

Table 3
Spearman Correlation Coefficients
for Variables 1,2,3,5,6,8,9,10, and 11

Hypothesis	Variable	Obtained correlation
1	Age range	-0.0856
2	Education	0.0027
3	Consumer education	-0.0493
5	Number in household	0.2927*
6	Yearly household income	0.1337
8	Years paid employment	0.0875
9	Number of credit cards used	0.5282**
10	Number of credit cards in own name	0.5052**
11	Husband's years paid employment	0.0814

*p < .05

**p < .01

Based on the data in Table 3, Hypothesis 3 was accepted. The obtained Spearman correlation coefficient of -0.0493 was not significant at the .05 level which indicates no significant relationship between a woman's credit card status and consumer education classes in which she has participated.

Hypothesis 4

Hypothesis 4 stated: there is no significant relationship between women's credit card status score and marital status. Based on the data in Table 4, Hypothesis 4 was accepted. The obtained chi-square value of 2.402 was not significant at the .05 level which indicates no significant relationship between a woman's credit card status and her marital status.

Table 4

Kruskal-Wallis Analysis of Variance
for Variables 4,7, and 12

Hypothesis	Variable	Obtained chi-square
4	Marital status	2.402
7	Occupation	6.324
12	Husband's occupation	4.936

*p < .05

Hypothesis 5

Hypothesis 5 stated: there is no significant relationship between women's credit card status score and number in household. Based on the data in Table 3, Hypothesis 5 was rejected. The obtained Spearman correlation coefficient of 0.2927 was significant at the .05 level which indicates a significant relationship between a woman's credit card status and the number of persons in her household. As the number of persons in the household increased, the woman's credit card status score increased.

Although not necessary in testing Hypothesis 5, further analysis of the credit card practices scale identified a significant correlation between credit card practices and number in household. Using the Spearman correlation coefficient, a correlation of 0.2606 was significant at the .05 level which indicates that as the size of the household increases so does the woman's credit card practices score.

Hypothesis 6

Hypothesis 6 stated: there is no significant relationship between

women's credit card status score and yearly household income. Based on the data in Table 3, Hypothesis 6 was accepted. The obtained Spearman correlation coefficient of 0.1337 was not significant at the .05 level which indicates no significant relationship between a woman's credit card status and her yearly household income.

Hypothesis 7

Hypothesis 7 stated: there is no significant relationship between women's credit card status score and occupation. Based on the data in Table 4, Hypothesis 7 was accepted. The obtained chi-square value of 6.324 was not significant at the .05 level which indicates no significant relationship between a woman's credit card status and her occupation.

Hypothesis 8

Hypothesis 8 stated: there is no significant relationship between women's credit card status score and years paid employment. Based on the data in Table 3, Hypothesis 8 was accepted. The obtained Spearman correlation coefficient of 0.0875 was not significant at the .05 level which indicates no significant relationship between a woman's credit card status and the number of years she has been in paid employment.

Hypothesis 9

Hypothesis 9 stated: there is no significant relationship between women's credit card status score and number of credit cards used. Based on the data in Table 3, Hypothesis 9 was rejected. The obtained Spearman correlation coefficient of 0.5282 was significant at the .01

level which indicates there is a significant relationship between a woman's credit card status and the number of credit cards she uses. The greater the number of credit cards used, the higher the woman's credit card status score.

In addition to rejecting Hypothesis 9, the Spearman correlation coefficient test produced a significant finding when the women's credit card practices scale was correlated with the number of credit cards used. A positive correlation of 0.5981 at the .01 level of significance indicates that the greater the number of credit cards used, the higher the credit card practices score.

Hypothesis 10

Hypothesis 10 stated: there is no significant relationship between women's credit card status score and the number of credit cards in own name. Based on the data in Table 3, Hypothesis 10 was rejected. The obtained Spearman correlation coefficient of 0.5052 was significant at the .01 level which indicates a significant relationship between a woman's credit card status and the number of credit cards she has in her own name. Large numbers of credit cards in own name are significantly correlated with high women's credit card status scores.

The Spearman correlation coefficient test also produced a significant finding when the women's credit card practices scale was correlated with the number of credit cards in own name. A positive correlation of 0.4775 at the .01 level of significance indicates the greater the number of credit cards in own name, the higher the credit

card practices score.

Hypothesis 11

Hypothesis 11 stated: there is no significant relationship between women's credit card status score and husband's years paid employment. Based on the data in Table 3, Hypothesis 11 was accepted. The obtained Spearman correlation coefficient of -0.0814 was not significant at the .05 level which indicates no significant relationship between a woman's credit card status and the number of years her husband was in paid employment.

Hypothesis 12

Hypothesis 12 stated: there is no significant relationship between women's credit card status score and husband's occupation. Based on the data in Table 4, Hypothesis 12 was accepted. The obtained chi-square value of 4.936 was not significant at the .05 level which indicates no significant relationship between a woman's credit card status and her husband's occupation.

CHAPTER V

SUMMARY AND RECOMMENDATIONS

This chapter contains a summary of the research procedure, the results of the hypotheses testing, and discussion of the implications of the research findings. Recommendations and limitations suggested as a result of the study are also described.

Summary

The purpose of this study was to identify significant relationships between selected demographic variables and women's credit card status. The women's credit card status was determined by a scale composed of a credit card knowledge scale and a credit card practices scale. Data were collected using a self-administered questionnaire developed by the researcher. The instrument was mailed to 208 residents in the city of Denton, Texas. Follow-up telephone calls and second mailings resulted in a return of 51 completed questionnaires. Twelve hypotheses were tested using the Spearman correlation coefficient and Kruskal-Wallis non-parametric one-way analysis of variance.

Findings

Findings from the analysis of the data were as follows:

1. There was no significant relationship between women's credit card status score and age range as indicated by the Spearman correlation coefficient of -0.0856 .

2. There was no significant relationship between women's credit

card status score and highest level of education completed as indicated by the Spearman correlation coefficient of 0.0027.

3. There was no significant relationship between women's credit card status score and formal consumer education as indicated by the Spearman correlation coefficient of -0.0493.

4. There was no significant relationship between women's credit card status score and marital status as indicated by the chi-square value of 2.402.

5. There was a significant relationship between women's credit card status score and the number of persons in the household as indicated by the Spearman correlation coefficient of 0.2927.

6. There was no significant relationship between women's credit card status score and yearly household income as indicated by the Spearman correlation coefficient of 0.1337.

7. There was no significant relationship between women's credit card status score and occupation as indicated by a chi-square value of 6.324.

8. There was no significant relationship between women's credit card status score and years paid employment as indicated by the Spearman correlation coefficient of 0.0875.

9. There was a significant relationship between women's credit card status score and number of credit cards used as indicated by the Spearman correlation coefficient of 0.5282.

10. There was a significant relationship between women's credit card status score and number of credit cards in own name as indicated by the Spearman correlation coefficient of 0.5052.

11. There was no significant relationship between women's credit card status score and husband's years paid employment as indicated by the Spearman correlation coefficient of -0.0814.

12. There was no significant relationship between women's credit card status score and husband's occupation as indicated by the chi-square value of 4.936.

Discussion

Analysis of the data revealed no significant relationship between the demographic variables of age, education, consumer education, income, paid employment, marital status, occupation, husband's paid employment, and husband's occupation with women's credit card status score. The variables identified as significant predictors of credit card status were number in household, number of credit cards used, and number of credit cards in own name. The same three variables were also significant predictors of credit card practices, however, not significant predictors of credit card knowledge. Age range was the only significant predictor of credit card knowledge.

The conceptualization of credit card status may need refinement to be representative of a person's ability to most advantageously use credit cards. Since the credit card practices score was highly correlated with the women's credit card status score while the credit

card knowledge score was not, a refinement of the instrument may be necessary to more accurately measure women's credit card status.

The significant variables of number in household, number of credit cards used, and number of credit cards in own name are directly related to the amount of experience a person has in using credit cards. An increase in the number of members of a household would tend to increase the amount of expenditures for that family. As the family is required to increase its amount of expenditures, greater opportunity for credit card use could facilitate the family in meeting its financial needs. As families use more credit cards, family members would be expected to gain increased experience and skill in using credit cards. As women gain experience in their use of credit cards there appears to be an increased awareness of advantageous credit card use. Women who use more credit cards gain increased experience which could be one explanation for the rise in credit card status scores. Women who are using credit cards in their own name have significantly higher credit card status scores than women who are not. The percentage of women who use credit cards in their own name was higher in this study than found by previous research. Women may be becoming more aware of their need to establish credit in their own name and to begin credit identities. The high percentage of professionally employed subjects (47.1%) may account for some of the increase in the number of

credit cards in own name, as these women have the financial resources to obtain credit in their own name. Women who obtain credit cards in their own name may be showing initiative in accepting personal responsibility for their credit card use. These women may also be more aware of the need to establish an individual credit identity for financial independence. Women who are concerned about building individual credit histories would tend to be conscientious in their use of credit cards. Such conscientious use of credit cards would raise credit card practices scores which would in turn increase the women's credit card status score.

The remaining variables, which were not found to be significant predictors of woman's credit card status score, described the woman's personal, family, and financial characteristics which could have an effect upon household expenditures, but not directly related to credit card use. Regardless of factors, except number in household, which could affect the ability of women to meet financial obligations, the predictors of credit card status score appear to be related to actual use of credit cards. As women gain experience in their use of credit cards, especially in their own name, they may become more aware of advantageous credit card practices which would increase their credit card status scores.

Today's economic situation is forcing women to seriously consider the value of working toward financial independence. The establishment of an individual credit identity through the use of credit cards in

one's own name will give women exposure and experience in credit card practices which will lead to increased credit card status. The evaluation of one's credit card status would be most valuable in an educational setting which would provide women with skills in using credit most advantageously. Based upon results of this research, educational programs should provide learning experiences which emphasize skills in credit card use. Experiential credit card use activities should increase women's credit card status scores regardless of personal, family, or financial characteristics. An increase in credit card status is representative of an increase in the use of skills leading to financial independence through the use of credit cards.

Recommendations

Based on the findings of this study the following recommendations are made:

1. The instrument, Women's Credit Card Status Score Questionnaire, is still in its developmental stage and should be further refined. Credit card knowledge scores appeared to have little influence on the total credit card status scores, whereas, credit card practices scores greatly influenced the total score.
2. Business and educational program planners could benefit from a survey to assess the educational needs of women in becoming financially independent by using the Women's Credit Card Status Score instrument.

3. Educators can use the Women's Credit Card Status Score Questionnaire within an instructional unit to aid participants in evaluating their credit card status.

4. Financial counselors may use the Women's Credit Card Status Score Questionnaire to aid clients in identifying problems in credit card use.

5. Further research should investigate relationships between variables which influence women to prepare for financial independence.

Limitations

Limitations of this research include:

1. The influence of the independent variables upon women's credit card status score should be researched with a larger sample size. The sample size of 51 was too small to investigate the relationships of all sub-groups of the independent variables with the dependent variable.

2. In the design of the instrument, sub-groups in questionnaire items number 9 and 10 are not mutually exclusive and need to be re-structured.

Appendix A

Conceptual Framework

CONCEPTUAL FRAMEWORK

Women's Credit Card Status Score

- I. Demographic data
 - A. Personal characteristics
 - 1. Age range
 - 2. Education
 - 3. Consumer education
 - B. Family characteristics
 - 1. Marital status
 - 2. Number in household
 - C. Financial characteristics
 - 1. Yearly household income
 - 2. Occupation
 - 3. Years paid employment
 - 4. Number of credit cards used
 - 5. Number of credit cards in own name
 - 6. Husband's years paid employment
 - 7. Husband's occupation
- II. Credit card knowledge
 - A. Credit terminology
 - 1. Definition of credit
 - 2. Definition of finance charge
 - 3. Definition of credit rating
 - 4. Definition of creditworthiness
 - B. Credit cost
 - 1. Determining cost of credit
 - 2. Comparing cost of credit
 - 3. Reducing cost of credit
 - 4. Liability
 - C. Credit legislation
 - 1. Consumer Credit Protection Act
 - 2. Equal Credit Opportunity Act
- III. Credit card practices
 - A. Credit selection
 - 1. Shopping for credit
 - 2. Reason for using credit
 - 3. Credit decision-making
 - B. Bill paying
 - 1. Promptness of payment
 - 2. Record keeping
 - 3. Billing error
 - C. Credit identity
 - 1. Credit cards in own name
 - 2. Review of credit file
 - 3. List of credit cards
 - 4. Denial of credit

Appendix B

Questionnaire Items with Variables

QUESTIONNAIRE ITEMS WITH VARIABLES

<u>Category</u>	<u>Variables</u>	<u>Item Number</u>
Demographic data	A. Personal characteristics	
	1. Age range	1
	2. Education	2
	3. Consumer education	3
	B. Family characteristics	
	1. Marital status	4
	2. Number in household	5
	C. Financial characteristics	
	1. Yearly household income	6
	2. Occupation	7
	3. Years paid employment	8
	4. Number of credit cards used	9
Credit card knowledge	5. Number of credit cards in own name	10
	6. Husband's years paid employment	11
	7. Husband's occupation	12
	A. Credit terminology	
	1. Definition of credit	13
	2. Definition of finance charge	14
	3. Definition of credit rating	15
	4. Definition of creditworthiness	16
	B. Credit cost	
	1. Determining cost of credit	17
	2. Comparing cost of credit	18
	3. Reducing cost of credit	19
Credit card practices	4. Liability with credit	20
	C. Credit legislation	
	1. Consumer Credit Protection Act	21
	2. Equal Credit Opportunity Act	22
	A. Credit selection	
	1. Shopping for credit	23
	2. Reason for using credit	24
	3. Credit decision-making	25
	B. Bill paying	
	1. Promptness of payment	26
	2. Record keeping	27
	3. Handling billing errors	28
	C. Credit identity	
	1. Credit cards in own name	29
	2. Review of credit file	30
	3. List of credit cards	31
	4. Denial of credit	32

Appendix C

Women's Credit Card Status Survey

WOMEN'S CREDIT CARD STATUS SURVEY

I. Please circle the letter of the one best answer as it applies to you.*

1. AGE RANGE
 - a. 18-24
 - b. 25-34
 - c. 35-44
 - d. 45-54
 - e. 55-64
 - f. 65 or older
2. HIGHEST LEVEL OF EDUCATION COMPLETED
 - a. none
 - b. elementary school
 - c. some high school
 - d. high school graduate
 - e. some college, business, vocational, trade school
 - f. college graduate
 - g. graduate degree
3. HIGHEST LEVEL OF FORMAL CONSUMER EDUCATION CLASSES
 - a. none
 - b. high school
 - c. trade school, community
 - d. college
 - e. graduate school
4. MARITAL STATUS
 - a. single
 - b. married
 - c. separated
 - d. divorced
 - e. widowed
5. TOTAL NUMBER IN HOUSEHOLD
 - a. 1
 - b. 2
 - c. 3-4
 - d. 5-6
 - e. 7 or more
6. APPROXIMATE YEARLY HOUSEHOLD INCOME
 - a. under \$5,000
 - b. \$5,000 - \$9,999
 - c. \$10,000 - \$14,999
 - d. \$15,000 - \$19,999
 - e. \$20,000 - \$24,999
 - f. \$25,000 - \$29,999
 - g. \$30,000 - \$34,999
 - h. \$35,000 or above
7. YOUR OCCUPATION
 - a. professional, technical, managerial
 - b. clerical, sales
 - c. service
 - d. farming, fisheries, forestry
 - e. processing
 - f. machine trades
 - g. bench work
 - h. structural work
 - i. other employment
 - j. not employed
8. YEARS PAID EMPLOYMENT
 - a. less than one year
 - b. 1-4 years
 - c. 5-9 years
 - d. 10-20 years
 - e. more than 20 years
9. NUMBER OF CREDIT CARDS YOU USE
 - a. none
 - b. 1-2
 - c. 3-6
 - d. 6-9
 - e. 10 or more

*Although you would not have to answer some of these questions to apply for credit, we are asking them in order to give you an accurate picture of your credit card status.

10. NUMBER OF CREDIT CARDS

IN OWN NAME

- a. none
- b. 1-2
- c. 3-6
- d. 6-9
- e. 10 or more

11. HUSBAND'S YEARS PAID
EMPLOYMENT

- a. less than one year
- b. 1-4 years
- c. 5-9 years
- d. 10-20 years
- e. more than 20 years
- f. not applicable

12. HUSBAND'S OCCUPATION

- a. professional, technical,
managerial
- b. clerical, sales
- c. service
- d. farming, fisheries,
forestry
- e. processing
- f. machine trades
- g. bench work
- h. structural work
- i. other employment
- j. not employed
- k. not applicable

II. Please circle the one letter before the phrase which best completes the statement.

13. Credit is

- a. payment for the use of borrowed money.
- b. the extension of special customer services by a store.
- c. charging now and paying later.
- d. your right to return merchandise to the seller.
- e. I don't know.

14. A finance charge is

- a. the cost of maintaining a charge account.
- b. the total cost of using credit.
- c. the minimum payment on a credit card billing statement.
- d. payment for opening a charge account.
- e. I don't know.

15. A credit rating is

- a. the total amount of credit you owe.
- b. a history of your credit use.
- c. the amount of interest charged when using credit.
- d. the maximum amount of credit available to you by a
credit lender.
- e. I don't know.

16. Creditworthiness is

- a. the reputation of the credit lender to grant credit.
- b. the use of credit cards to buy goods.
- c. the reliability of a verbal agreement to pay for goods.
- d. the ability to repay debts.
- e. I don't know.

17. The cost of credit is determined by
 - a. your credit rating.
 - b. your total income.
 - c. the method credit card issuers use to compute interest.
 - d. how frequently you make payments on the account.
 - e. I don't know.
18. To compare the cost of credit
 - a. know how the balance due is determined by each credit lender.
 - b. check the credit bureau in your area.
 - c. charge with as many credit lenders as you can.
 - d. compare minimum monthly payments on billing statement.
 - e. I don't know.
19. To save money on credit card charges
 - a. pay total amount due on billing statement.
 - b. make all charges on the same day of the month.
 - c. pay the minimum monthly payment.
 - d. lengthen the repayment period.
 - e. I don't know.
20. Credit card holders are liable for
 - a. all purchases made on stolen credit cards.
 - b. \$50 per credit card stolen.
 - c. \$500 per credit card stolen.
 - d. no purchases made on stolen credit cards.
 - e. I don't know.
21. A federal law requires credit lenders to
 - a. use a standard method to figure interest rates.
 - b. use the monthly percentage rate when quoting the interest rate.
 - c. use the annual percentage rate when quoting the interest rate.
 - d. charge minimum monthly interest rate.
 - e. I don't know.
22. There is a federal law on credit ratings which allows me to
 - a. request a copy of all information in my credit file.
 - b. have information about my payment record erased if it hurts my credit rating.
 - c. know my credit rating as determined by the credit bureau.
 - d. add to my file my side of a dispute when I do not agree with a creditor's report of my payment record.
 - e. I don't know.

III. Please circle the appropriate letter to the right of each item as it describes your use of credit cards.

	ALWAYS	FREQUENTLY	SOMETIMES	SELDON	NEVER	NOT APPLICABLE
23. Before using credit cards I check more than one credit source.	a	b	c	d	e	f
24. I use credit cards so I can spread the cost of my purchases over time to prevent paying for them at one time.	a	b	c	d	e	f
* 25. I decide when to use credit cards for purchases.	a	b	c	d	e	f
26. I make credit card payments when due.	a	b	c	d	e	f
27. I compare my credit card statements with charge receipts for billing errors.	a	b	c	d	e	f
28. When I receive a bill with errors, I complain to the credit card issuer.	a	b	c	d	e	f
29. The credit cards I use are in my own name ("Mary Brown" or "Mrs. Mary Brown" not as "Mrs. Tom Brown" or "Mrs. T. Brown").	a	b	c	d	e	f

IV. Please circle the letter of the answer as it applies to you.

30. I review my credit file at the credit bureau.
a. no
b. yes
31. I keep a list of my credit card numbers and addresses.
a. no
b. yes
32. My application has been turned down by a credit card issuer within the past five years.
a. no
b. yes

Thank you

Appendix D

Questionnaire Scoring Formula

QUESTIONNAIRE SCORING FORMULA

I. Demographic data

This section includes questions 1 through 12 and will be scored by counting the number of respondents who give a particular response to each individual item. No numerical score will be assigned to responses in this section.

II. Credit card knowledge

Each multiple choice question has one correct answer which is given a point value of 1. All incorrect answers are given a value of 0.

Key (correct responses):

13. c	18. a
14. b	19. a
15. b	20. b
16. d	21. c
17. c	22. d

Total possible points: 10

III. Credit card practices

Each statement has one of six possible responses. Each response is given a point value determined by the researcher for which the most favorable use of credit is assigned 2 points, acceptable use of credit 1 point, and the unacceptable use of credit a value of 0.

Key:

23. a=2 b=2 c=1 d=0 e=0 f=0
24. a=0 b=0 c=1 d=2 e=2 f=0
25. a=2 b=2 c=1 d=0 e=0 f=0
26. a=2 b=2 c=1 d=0 e=0 f=0
27. a=2 b=2 c=1 d=0 e=0 f=0
28. a=2 b=2 c=1 d=0 e=0 f=0
29. a=2 b=2 c=1 d=0 e=0 f=0
30. a=0 b=2
31. a=0 b=2
32. a=2 b=0

Total possible points: 20

- IV. Women's credit card status score is determined by adding the total number of points received and multiplying that total by 3.3. The total number of points possible is 100.

Appendix E

Survey Correspondence

COVER LETTER

TEXAS WOMAN'S UNIVERSITY
DENTON, TEXAS 76204

COLLEGE OF NUTRITION, TEXTILES,
AND HUMAN DEVELOPMENT
PHONE (817) 382-8821

DEPARTMENT OF HOME ECONOMICS EDUCATION
AND CONSUMER SCIENCES
BOX 23975, TWU STATION
PHONE (817) 387-6915

June 1981

Dear Denton Resident,

To help women better use credit to their financial advantage, we are conducting a study of women's use of credit cards. We are asking any one woman in your household 18 years or older to complete the enclosed postage-paid questionnaire by July 1.

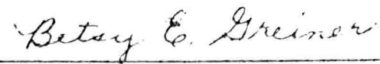
YOUR RETURN OF THIS QUESTIONNAIRE CONSTITUTES INFORMED CONSENT TO ACT AS A SUBJECT IN THIS RESEARCH. The University requires that subjects be informed that no medical service or compensation is provided by the University as a result of injury from participation in research studies. Your participation is voluntary and you may withdraw at any time. In this study your response will remain anonymous.

If you would like to know your own credit card status score, keep a copy of your answers, return the enclosed post card, and we will send you the correct answers.

Thank you for your time and help in this project. We hope that the information you share about your credit card use will help you and other women in making better use of credit.



Dr. Betty Alford, Dean
College of Nutrition,
Textiles, and Human
Development



Betsy E. Greiner,
Graduate Student

QUESTIONNAIRE ENCLOSURES

Incentive Flyer

Did you know the Federal Trade Commission has many free pamphlets to send you? Here are two which may interest you:

(1) "Equal Credit Opportunity Act"

(2) "Women and Credit Histories"

Write to: Federal Trade Commission, Legal and Public Records
Room 130, Washington, D.C. 20580

Post Card to Obtain Scoring Key

Dear Denton Resident,

In order to score your responses, you must keep a record of the answers you marked on your questionnaire. Mail this completed post card after you have mailed back the questionnaire. Write your address below if you would like a scoring key of questionnaire responses. This will assure that your questionnaire will remain anonymous.

My address is:

(street)

(city)

(state, zip)

Thank you,

Betsy E. Greiner

Questionnaire Scoring Key Post Card

Dear Denton Resident,

Questionnaire responses and corresponding point values are listed below. Your credit card status score can be determined by multiplying your total number of points by 3.3 . Responses not listed below have a point value of 0.

Question--point value

- 13. c=1
- 14. b=1
- 15. b=1
- 16. d=1
- 17. c=1
- 18. a=1
- 19. a=1
- 20. b=1
- 21. c=1
- 22. d=1
- 23. a=2, b=2, c=1

Question--point value

- 24. c=1, d=2, e=2
- 25. a=2, b=2, c=1
- 26. a=2, b=2, c=1
- 27. a=2, b=2, c=1
- 28. a=2, b=2, c=1
- 29. a=2, b=2, c=1
- 30. b=2
- 31. b=2
- 32. a=2

Your score _____

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