

BEHAVIOR IN THE CREDIT SPHERE: ON THE EXAMPLE OF STUDENTS

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The authors analyze models of behavior in the credit sphere among students. It is established that a credit for a significant part of students is not a daily practice, but merely an instrument of solving a certain problem (to pay for education, to purchase something, etc.). Female students are more likely go for informal lending than young men who prefer to use formal lending. A significant number of students, regardless to their gender differences, plan to use formal lending to solve the housing problem after finishing their education. Formal lending is not the lifestyle for most of the students due to a number of circumstances: high bank requirements when requesting a large monetary loan, financial illiteracy, high risks, etc. In addition, it is established that the higher the level of well-being of the student's family, the more often and more willingly he or she goes for formal lending. In conclusion, the authors consider the prospects for the development of formal lending among students.

Key words: loans, credit cards, credit products, formal and informal lending

Relevance of the study

Positional experts note that in the past decade, the number of people with paternalistic positions has increased, most of the population has 7-8 credits and microloans. [6] The number of citizens who are unable to pay off loans is increasing. As a result, in order to somehow rectify the situation, the Law on Personal Bankruptcy of Individuals entered into force on October 1, 2015.

Empirical basis of the study

In 2015-2016, we carried out a survey of students of:

- Yaroslavl State Pedagogical University named after K.D. Ushinsky (YSPU);
- Yaroslavl State University named after P.G. Demidov (YSU);
- Orel branch of the Russian Academy of National Economy and Public Administration under the President of the Russian Federation (RANEPA);
- Yaroslavl branch of the Emperor Nicholas II Moscow State University of Railway Engineering (After all merges the branch of the Russian University of Transport (MIIT)).

Quota sample. Sample frame n=954. Quota variables: gender, age, university.

The survey of the teaching staff of universities with the purpose of studying the situation in universities in terms of economic socialization and education of students n=14.

In addition, the study of opinion of positional experts (Client managers) n=12.

A secondary analysis of the data of:

- Russian Federal State Statistics Service;
- Results of sociological researches conducted by VTsIOM (Russian Public Opinion Research Center), employees of the Federal Research Sociological Center (FNISC RAS).

Methodological basis of the study

The methodological basis of the study was the concept of “post-materialist values” (R.F. Inglehart), as well as the works of the authors of V. Zelizer, J.M. Keynes, S.A. Baburkin, V.N. Kudashov, A.V. Lymarev, S.L. Talanov. [3, 4, 5, 6, 7].

Author's hypotheses

1. A credit for a significant part of students is not a daily practice, but merely an instrument of solving a certain problem (to pay for education, to purchase something, etc.).
2. Female students are more likely go for informal lending than young men who prefer to use formal lending.
3. A significant number of students, regardless to their gender differences, plan to use formal lending to solve the housing problem after finishing their education.
4. Formal lending is not the lifestyle for most of the students due to a number of circumstances: high bank requirements when requesting a large monetary loan, financial illiteracy, high risks, etc.
5. The higher the level of well-being of the student's family, the more often and more willingly he or she goes for formal lending.

Results of the study

In the beginning of the study, we analyzed how it is common among students in everyday practice to go for formal lending?

Only 27% of respondents have credit cards. 11% had experience in using loans and credit cards. 62% of respondents noted that they do not use credits and credit cards.

It was established that all interviewed students have debit cards, since the scholarship can be paid on a bank card only.

Then, we looked at the benefits from the point of view of students, for the formal lending (respondents could specify several answers). As a result, 78% of respondents noted that a bank loan allows to inform no one about their financial problems. Absolutely all female students explained that they do not want to borrow money from friends, especially young men, not to be indebted to them. Therefore, girls prefer to borrow money either from their parents or from the bank. In addition, girls who are in relationships with men (live together) indicated that they are borrowing money from their men. At the same time, it was explained that most men, when requested for a loan, simply give (as a gift) money without demanding them back. 67% of students noted that there is an opportunity for them to receive a large cash loan. 58% of the respondents explained that it is possible to take a loan for a long period and, accordingly, to pay off the debts in installments over a long period, which significantly reduces the financial burden on the already small student budget.

54% of respondents indicated that formal lending trains to lead long-term planning, to be responsible and disciplined.

54% of students explained that the loan could now be taken without any difficulties, but unfortunately not as for the amounts that would be desirable. You can apply for a loan without leaving home. The bank is giving its decision on your request very quickly.

Then, we looked at the disadvantages from the point of view of students, for the formal lending (respondents could specify several answers). 89% of respondents noted that, due to their low incomes (scholarships) and age, banks prefer not to provide them loans, or give, but small amounts of money

65% of respondents indicated that the main disadvantage of the credit loan is high interest rate.

43% of students admitted that they did not read all the terms of the contract when taking the credit. In general, they requested for the credit as to the last opportunity to solve their difficult financial situation. It means they were ready to take a loan under any terms. The same group of respondents explained that they do not have enough knowledge in the sphere of lending. That would be logical to teach a special course on economic behavior in universities.

Then, we looked at the benefits from the point of view of students, in informal lending (respondents could specify several answers). It was found that 64% of students see the advantage of borrowing from friends in the speed of financial support. In a bank with all the latest

technologies, to get a loan, it takes some time. In addition, 57% of the respondents noted that friends are ready to wait with the return of the debt, which is very important for most of the students, considering their small incomes. You can borrow the money from friends many times and even in case when the previous debt is not returned.

Then, we looked at the disadvantages from the point of view of students, for the informal lending (respondents could specify several answers). It was found out that 37% of respondents believe that it is risky to give loans to acquaintances and even friends, since there is a possibility of not returning the debt. Accordingly, there is a possibility of loss of trust and spiritual intimacy between friends.

As it is pointed out by American sociologist Ronald Inglehart, the main values in postmodern conditions are: a decent level and quality of life, health, friendship, self-development. [2] The media is promoting these values. In conditions when a person acquires cultural capital (education), meaning most of his time receives and trains knowledge, skills and abilities, and sometimes works, as a rule, to the detriment of the main goal, it is very difficult to maintain a decent standard and quality of life without the resources of wealthy parents.

For many young people, formal lending allows to improve their quality of life. But if a person's reference group is very wealthy (rich), or if everyone in the student group is very wealthy, then in order not to "stand out" the existing consumption standard, it is necessary to spend large amounts of money and lead an idle (expensive) way of life (night clubs, restaurants etc.).

The Ministry of Education and Science of the Russian Federation notes that in recent years up to 60% of applicants from other cities have entered the universities of big cities. In Moscow, St. Petersburg, the life of student is difficult enough, especially without the support of wealthy parents to maintain a decent quality of life.

The stratification of society is very visible in big cities; there are many temptations. In fact, those applicants who came to study in Yaroslavl from small towns of the Yaroslavl region, found themselves in the same difficult situation as the applicants who came to Moscow or St. Petersburg from the province.

The survey showed that there are a lot of students from other towns (nonresidents) in Yaroslavl universities.

Most of them live in dormitories, in rooms for 4-5 people. In this regard, in our research,

we studied how often nonresident students are going for formal and informal lending.

It was established that 16% of nonresident students resorted to the help of microfinance institutions. 24% have credit cards (limited up to 30 thousand rubles). However, most of the nonresident students prefer the informal lending in a difficult life situation

An interesting fact is that 8% of respondents periodically seek help from a pawnshop. Mostly, when pledging gold products, the students are able to buy them back later on.

Things are going better for the nonresident students who are in a relationship (here we are mostly talking about cohabit). In such couples, the financial component is more stable.

The survey of the teaching staff of universities showed that within the teaching process, students are being taught very few disciplines, within which one could create the necessary economic skills. Such discipline as economic sociology is mainly given only to those who study at the "Social studies" department. Only a small number of students is inherent for the resource planning and rationality. As a result, many students are not capable of long-term planning, and the ability to take risks and be responsible for their choice.

The university teachers noted that they had repeatedly faced situations when several students applied to the trade union asking for material support, providing all the necessary substantiations, but when receiving the money, passed all the cash to a student who urgently needed it, but could not get the money from a bank or trade union, due to various reasons.

65% of students note that they have difficulties in understanding economic disciplines. In addition, 24% of students believe that they do not need any economic training.

Positional experts (client managers of the bank) explained that students, as a rule, do not receive loans. The bank seeks to receive the maximum profit, and for this reason, the borrower's solvency is important. Students have to study, and in their spare time or at the expense of their studies, they try to improve their well-being. In other words, their income is not stable. The current situation is that the credit is usually given to students over the age of 21. It is more difficult if a borrower is a male student (liable for military service), since he will probably serve in the army in a year, thus there is a risk of not returning the loan.

Female students also find it difficult to get a loan, because banks require at least six months of work experience, the availability of a record in labor book, an income reference.

The problem is that even if the student finds a well-paid job then, unfortunately, he or she is usually paid in an envelope (not officially). These kinds of time-to-time job mainly happens in summer and lasts for not more than 2-3 months.

Sometimes banks are asking for pledge, but the student has rarely got a car or an apartment in its property.

If students apply to the bank for a credit, they prefer to take a consumer loan, less often a loan for education.

Experts explained that the average size of a retail loan in Russia is about 160 thousand rubles.

Young people want to look successfully, meaning to dress fashionably, to wear expensive watches, to use modern phones, to drive cars, etc. Sometimes these goals are completely inaccessible. Banks are afraid to take risk and to give large sums of money to young people, because according to the National Bureau of Credit History, a lot of loans given to people aged 21-25 years remain non-return.

Experts also explained that some young people behave frivolously when facing the difficult situations, and they do not have the opportunity to pay the installment in time, instead of informing the bank they simply cease to make payments under the loan agreement. As a result, they are charged with fines and penalties. However, it would be possible to act differently. Namely, to come to the bank, where they could have been supported with an individual repayment schedule for the loan, or could have been provided a two-month credit holiday.

According to positional experts, most students go for microloans, as there are no strict requirements for borrowers. There are 2412 microfinance institutions in Russia. Microloans are easier to get, usually at 3% daily rate. However, the amounts are not large, up to 40 thousand rubles. Not every student is able to overpay so much.

Since August 14, 2017, the Bank of Russia has established the increased reserve requirements for microfinance institutions (MFIs) in case of loans to individuals. In other words, it will be more difficult to obtain a "pay when salary comes" loan.

We as researchers were interested in how many students plan to be engaged in small or medium-sized businesses; and to find out in general whether among respondents there are ones who are already engaged in business.

It was established that among the respondents there was not a single person who had his

own business. It was found out that 27% of students would like to do business, but they do not want to associate themselves with formal lending. They expect to receive subsidies or grants for business development, in the framework of special programs.

47% of respondents noted that they are aware that there are 10 institutions for supporting entrepreneurship in the Yaroslavl region.

Conclusion

Within the framework of the conducted research, it was established that for the most part of the respondents could still be characterized as financially illiterate.

When deciding to take a credit, students are often guided not by their profit, but by immediate interests. Financial problems arise because of low financial incomes, disability to build long-term planning. They spend their incomes on the things based on their subjective interest and impulsive actions.

Banks need to revise their position on loans for students. In particular, to reduce the number of documents needed to obtain a loan, to reduce the interest rate on the loan; and as a guarantee, to provide mandatory insurance for

the credit taken. Obviously, these proposals will not change the fundamental state of affairs in the formal lending market. It is important to form certain skills, abilities and knowledge of students in the university. For this reason, the development of formal lending will depend not only on the Government of the Russian Federation, but also on the success of economic socialization (mastering the economic roles, readiness for economic activity, etc.) in the university.

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