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The Impact of Free Credit Card Offers on University Students' Financial Well-Being

Abias Sayem Hossain[1], Sumaiya Afrin Obony[2], Tamanna Tabassum[3], Rakibul Islam Emon[4]

Abstract

This study looks at whether the attractiveness of free credit card offers and students' financial literacy are related to their financial well-being. A quantitative, cross-sectional survey was conducted among university students in Bangladesh. Data were gathered through a Google Forms questionnaire containing 15 measurement statements rated on a five-point Likert scale. A total of 108 usable responses were processed in IBM SPSS Statistics. The analyses covered descriptive statistics, Cronbach's alpha, Pearson correlation, multiple linear regression, and principal component analysis (PCA). Free credit card offer attractiveness showed a positive relationship with financial well-being ($r = .696$, $p < .001$). Financial literacy showed an even stronger relationship with financial well-being ($r = .851$, $p < .001$). In the regression model containing both predictors, financial literacy remained significant ($\beta = .787$, $p < .001$), whereas the unique contribution of offer attractiveness was not significant ($\beta = .082$, $p = .319$). Together, the predictors accounted for 72.7% of the variance in financial well-being. The results indicate that financial knowledge is more strongly associated with students' reported financial well-being than offer attractiveness when the two predictors are considered at the same time.

Keywords: Financial Literacy, Financial Well-Being, University Students, Credit Card Offers

1. Introduction

1.1 Background of the Study

Credit cards give consumers access to short-term credit and often come with features such as discounts, cashback, rewards, and introductory fee waivers. These features may be appealing to university students who are starting to make more financial decisions on their own. At the same time, many students have limited income and limited experience with formal credit. Earlier studies of college students have therefore examined credit-card use, debt, financial behavior, and financial well-being together (Gutter and Copur, 2011; Bartholomae and Fox, 2021).

How students use a credit card can shape its financial consequences. Norvilitis et al. (2006) reported that financial knowledge, credit-card ownership, attitudes toward credit, and other individual factors were associated with credit-card debt among college students. Peltier, Dahl and Schibrowsky (2016) also connected difficulties with self-control and credit-card debt with financial anxiety. Limbu and Sato (2019) found a

[1] BBA [23-51340-1], American International University-Bangladesh
[2] BBA [23-52800-2], American International University-Bangladesh
[3] BBA [23-55760-3], American International University-Bangladesh
[4] BBA [23-51152-1], American International University-Bangladesh

positive association between credit-card literacy and college students' financial well-being. These findings support the need to consider students' financial knowledge when looking at their experience with credit.

The Bangladesh context provides further reason to study the issue. Aktar et al. (2023), using a sample of university students at Jagannath University, reported that only 9.74% reached an adequate level of financial literacy. They also found links between financial literacy and several educational, demographic, and behavioral factors. Rafi and Shajahan (2026), from AIUB, also emphasized the role of financial literacy in financial decision-making. Together, these studies indicate that financial capability deserves attention among university students in Bangladesh.

1.2 Research Problem

The study focuses on a possible gap between the appeal of a credit-card offer and a student's ability to handle credit. Features such as fee waivers, discounts, cashback, rewards, and easier application procedures can increase the appeal of a card. At the same time, students may differ considerably in their understanding of repayment, interest, minimum payments, and responsible spending. Earlier studies have examined student debt, financial behavior, credit-card literacy, and financial well-being, but relatively little evidence addresses the relationship between free credit-card offer attractiveness and students' financial well-being in Bangladesh.

The analysis therefore includes two factors: free credit card offer attractiveness and financial literacy. The study does not start from the assumption that an attractive offer improves or worsens financial well-being. Instead, it examines their statistical relationships and checks whether each predictor contributes uniquely when both are entered into the same regression model.

1.3 Research Gap

Earlier studies provide useful evidence on student credit and financial well-being, but several areas remain less explored. Much of the existing evidence is from outside Bangladesh, while Bangladesh-focused work has concentrated more on general financial literacy. Other studies have examined credit-card debt, risky behavior, self-control, or credit-card literacy without directly focusing on promotional offer features. Fee waivers, discounts, cashback, and rewards have received less attention in relation to students' reported financial well-being. This study brings free credit card offer attractiveness and financial literacy into the same model for university students in Bangladesh.

1.4 Research Questions

1. What relationship exists between free credit card offer attractiveness and university students' financial well-being?
2. What relationship exists between financial literacy and university students' financial well-being?
3. To what extent are free credit card offer attractiveness and financial literacy associated with university students' financial well-being?

1.5 Research Objectives

General Objective

The general objective is to examine how free credit card offer attractiveness and financial literacy are related to the financial well-being of university students in Bangladesh.

Specific Objectives

- To examine the association between free credit card offer attractiveness and students' financial well-being.
- To assess the association between financial literacy and students' financial well-being.
- To assess the combined predictive contribution of free credit card offer attractiveness and financial literacy to students' financial well-being.

1.6 Significance of the Study

The study contributes evidence from a Bangladesh university-student sample to the literature on credit use, financial literacy, and financial well-being. It also distinguishes the simple relationship between offer attractiveness and well-being from the unique contribution of offer attractiveness after financial literacy is included in the model.

The findings may help banks and other financial-service providers that promote credit cards to students. Presenting information about interest, fees, repayment duties, and minimum payments clearly can help students judge the full terms behind a promotional offer.

Universities and other stakeholders may also draw on the findings when planning financial-literacy activities. Credit repayment, interest charges, minimum payments, spending control, and responsible borrowing are relevant areas for students who are beginning to use formal credit.

1.7 Scope of the Study

Item	Description
Industry/context	Banking, financial services, and student personal finance
Target population	University students in Bangladesh
Sample	108 respondents
Research approach	Quantitative
Data source	Primary survey data
Independent variables	Free Credit Card Offer Attractiveness; Financial Literacy
Dependent variable	Financial Well-being
Study period	2026
Analysis software	IBM SPSS Statistics

2. Literature Review

2.1 Conceptual Discussion

For this study, free credit card offer attractiveness means the degree to which students find the features of a credit-card offer appealing. The five items cover a first-year annual-fee waiver, student discounts and offers, easy application requirements, cashback or other rewards, and the encouragement created by these benefits. The measure captures students' views of an offer rather than their actual credit-card debt.

Financial literacy refers here to students' knowledge of basic credit-card obligations and responsible use. The items address repayment, interest and other charges, the effect of paying only the minimum amount, unnecessary spending, and using a credit card within one's financial ability. These areas follow earlier work on financial knowledge and credit-card literacy among students (Norvilitis et al., 2006; Limbu and Sato, 2019).

Financial well-being describes how students assess their ability to manage regular expenses and spending while dealing with financial pressure. Prawitz et al. (2006) described financial well-being as a subjective view of one's financial situation, ranging from financial distress to stronger well-being. Lange and Byrd (1998) also reported an association between perceived financial distress and psychological well-being among university students. In the present study, the construct is represented by five statements covering expense management, spending control, financial stress, debt-related difficulty, and responsible credit-card use.

2.2 Relevant Theoretical Perspective

The main theoretical perspective for this study is the financial capability perspective. It views financial outcomes as being partly shaped by a person's ability to understand financial products and make informed decisions. This is relevant to student credit use because access to a credit card does not show whether a student can manage it effectively. Research on financial knowledge and credit-card literacy among students provides support for this perspective (Norvilitis et al., 2006; Limbu and Sato, 2019).

The study also draws on the self-control perspective used in research on student credit-card debt. Peltier, Dahl and Schibrowsky (2016) linked self-control difficulties with credit-card debt and financial anxiety. Self-control was not measured in this survey, but the perspective helps explain why students may respond differently to the same credit-card offer. Knowledge and spending control can influence how students handle access to credit.

2.3 Empirical Literature

Gutter and Copur (2011) analyzed 15,797 college students from 15 campuses in the United States. They found that budgeting, saving, risky credit-card behavior, and compulsive buying were associated with financial well-being. Their results highlight the role of everyday financial behavior in students' financial outcomes.

Bartholomae and Fox (2021) reviewed ten years of research on college-student financial behavior and well-being. They identified credit-card and student-loan behavior as important areas of study and noted that findings are not always consistent across research settings. Their review also emphasized the need for appropriate measurement and attention to students becoming more financially independent.

Norvilitis et al. (2006) studied 448 college students and reported relationships between financial knowledge, age, number of credit cards, delay of gratification, attitudes toward credit, and credit-card debt. They also found that greater debt was linked with more stress and poorer financial well-being. These findings support considering financial knowledge together with credit-related behavior.

Peltier, Dahl and Schibrowsky (2016) examined student credit-card debt in relation to self-control. Their findings suggest that self-control difficulties can be associated with debt and financial anxiety. This supports examining the appeal of credit products together with students' ability to manage credit.

Limbu and Sato (2019) examined 427 college students and found that credit-card literacy was positively associated with financial well-being through credit-card self-efficacy. Their study is particularly relevant because it links credit-specific knowledge with student financial well-being. The present study uses a simpler model and focuses on general credit-related financial literacy without testing a mediation effect.

Bangladesh-based research also highlights the importance of financial literacy among university students. Aktar et al. (2023) surveyed 360 undergraduate and graduate students at Jagannath University and reported that 9.74% had adequate financial literacy. Khan and Rabbani (2025) more recently examined the distinction between financial literacy and debt literacy in relation to student financial behavior. These studies provide local context for considering financial literacy alongside credit-related perceptions.

Overall, the literature connects student financial outcomes with knowledge, financial behavior, self-control, and credit management. The studies differ in their measures and populations, with some concentrating on debt and risky behavior and others on financial literacy or financial well-being. The present research focuses specifically on free credit card offer attractiveness and financial literacy among university students in Bangladesh.

2.4 Research Gap

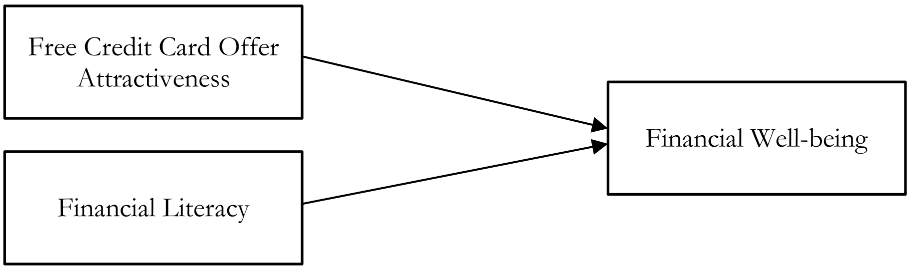
The gap in the literature is mainly related to context and focus. Much of the evidence on student credit-card behavior comes from outside Bangladesh, while Bangladesh studies have paid more attention to general financial literacy. Earlier research has also commonly treated debt, risky behavior, self-control, or credit-card literacy as separate topics. Promotional features of cards have received less direct attention in connection with students' reported financial well-being. This study therefore considers offer attractiveness and financial literacy together.

Based on this gap, the study examines the relationships of free credit card offer attractiveness and financial literacy with financial well-being and checks whether either predictor remains significant after the other is included in the model.

2.5 Research Model / Conceptual Framework

The conceptual framework uses two independent variables and one dependent variable. Free Credit Card Offer Attractiveness (IV1) and Financial Literacy (IV2) are examined as predictors of Financial Well-being (DV).

Figure 1. Conceptual framework of the study. Source: Developed by the researchers based on the reviewed literature.



2.6 Hypotheses

- H1: Free credit card offer attractiveness has a significant relationship with university students' financial well-being.
- H2: Financial literacy has a significant relationship with university students' financial well-being.

3. Methodology

3.1 Research Approach and Design

The research used a quantitative, cross-sectional survey design because the study constructs were measured numerically and the research questions focused on relationships among predefined variables. The analysis is based on the 108 usable responses that were collected.

The study was descriptive and correlational in design. Frequencies and percentages summarized the respondent profile, while means and standard deviations described the three main constructs. Pearson correlation addressed the bivariate research questions, and multiple regression examined the predictors together.

3.2 Population and Sample

The target population consisted of university students in Bangladesh, including both undergraduate and postgraduate students. The questionnaire was distributed online to students from multiple universities through non-probability, convenience-based recruitment. The final dataset contained 108 usable responses. Both current credit-card users and non-users were included because the study examined perceptions of credit-card offers and financial literacy rather than only card ownership.

3.3 Data Collection

Primary data were collected in 2026 through a structured Google Forms questionnaire. The questionnaire included background questions and 15 measurement statements covering the three study constructs. Each statement used a five-point Likert scale from 1 = Strongly Disagree to 5 = Strongly Agree. Responses were exported to Excel, prepared for analysis, and then processed in IBM SPSS Statistics.

3.4 Measurement of Variables/Constructs

The measurement items were prepared for this study with guidance from the existing literature. They were not reproduced word-for-word from one published scale. The financial well-being items were conceptually informed by the InCharge Financial Distress/Financial Well-Being framework of Prawitz et al. (2006). The financial-literacy and credit-related items were informed by research on student financial knowledge, credit-card literacy, debt, and financial behavior, including Norvilitis et al. (2006), Peltier, Dahl and Schibrowsky (2016), and Limbu and Sato (2019). The development status of each construct is detailed in Table 1.

Table 1a. Measurement development and source basis

Code	Construct	Items	Main content
IV1	Free Credit Card Offer Attractiveness	5	First-year fee-free service; student discounts; easy application; cashback/rewards; willingness to apply
IV2	Financial Literacy	5	Repayment; interest/charges; minimum-payment consequences; unnecessary spending; responsible use
DV	Financial Well-being	5	Expense management; spending control; financial stress; debt-related difficulty; responsible credit use

Table 1b. Measurement development and source basis

Construct	Items	Status	Source basis
IV1 – Free Credit Card Offer Attractiveness	5	Researcher-developed / newly worded	Informed by student credit-card and credit-behavior literature, especially Norvilitis et al. (2006) and Peltier, Dahl and Schibrowsky (2016).
IV2 – Financial Literacy	5	Adapted and newly worded for this study	Informed by credit-card literacy and financial-knowledge research, especially Norvilitis et al. (2006) and Limbu and Sato (2019).
DV – Financial Well-being	5	Conceptually adapted / newly worded	Informed by Prawitz et al. (2006) and related student financial well-being literature, including Gutter and Copur (2011) and Lange and Byrd (1998).

All 15 measurement statements used the same five-point response scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. For analysis, each construct score was obtained by taking the mean of its five items.

3.5 Data Analysis

IBM SPSS Statistics was used to analyze the data. Frequencies and percentages summarized respondent characteristics, while means and standard deviations described the three construct scores. Cronbach's alpha assessed internal consistency. Pearson correlation was used for the first two research questions, and multiple linear regression examined the combined contribution of the two independent variables and formed the basis for the hypothesis decisions. PCA with Varimax rotation was used to explore the structure of the 15 measurement items. Residual statistics, collinearity measures, the histogram, normal P-P plot, and scatterplot were also reviewed for regression diagnostics.

4. Data Analysis and Results

4.1 Respondent Profile

Table 2. Age distribution of respondents. Source: SPSS output.

Age	Frequency	Percent
18–20	10	9.3%
21–23	36	33.3%
24–26	48	44.4%
27 or above	14	13.0%
Total	108	100.0%

Table 3. Gender distribution of respondents. Source: SPSS output.

Gender	Frequency	Percent
Female	38	35.2%
Male	70	64.8%
Total	108	100.0%

Table 4. Study-level distribution of respondents. Source: SPSS output.

Study level	Frequency	Percent
Undergraduate	90	83.3%
Postgraduate	18	16.7%
Total	108	100.0%

Table 5. Distribution by current study year/level. Source: SPSS output.

Current year/level	Frequency	Percent
1st Year	17	15.7%
2nd Year	7	6.5%
3rd Year	20	18.5%
4th Year	34	31.5%
5th Year or above	12	11.1%
Postgraduate	18	16.7%
Total	108	100.0%

Table 6. Current credit-card use. Source: SPSS output.

Credit-card status	Frequency	Percent
No	63	58.3%
Yes	45	41.7%
Total	108	100.0%

Table 7. Exposure to student credit-card offers. Source: SPSS output.

Seen/received student-card offer	Frequency	Percent
No	56	51.9%
Yes	52	48.1%
Total	108	100.0%

The final dataset included 108 respondents. Most respondents were undergraduates (83.3%), while males made up 64.8% of the sample. The largest age group was 24–26 years (44.4%), followed by 21–23 years (33.3%). Forty-five respondents (41.7%) reported that they currently had or used a credit card, and 52 (48.1%) had seen or received an offer for a student credit card. Because the university field contained different spelling and capitalization forms, the entries were not combined into institution-level frequencies in this paper.

4.2 Descriptive Results

Table 8. Descriptive statistics of the main constructs. Source: SPSS output.

Construct	N	Minimum	Maximum	Mean	SD
Free Credit Card Offer Attractiveness	108	1.00	5.00	3.306	1.1945
Financial Literacy	108	1.00	5.00	3.3292	1.19297
Financial Well-being	108	1.00	5.00	3.244	1.1302

All three construct means were above the neutral point of 3.00. Financial literacy recorded the highest mean (M = 3.3292, SD = 1.19297), followed by free credit card offer attractiveness (M = 3.306, SD = 1.1945) and financial well-being (M = 3.244, SD = 1.1302). The standard deviations indicate noticeable differences in responses across the sample.

4.3 Reliability and Validity Results

Table 89. Reliability statistics. Source: SPSS output.

Construct	Items	Valid N	Cronbach's alpha	Interpretation
Free Credit Card Offer Attractiveness	5	108	.954	Excellent internal consistency
Financial Literacy	5	107	.966	Excellent internal consistency
Financial Well-being	5	108	.947	Excellent internal consistency

The three scales showed strong internal consistency. Cronbach's alpha was .954 for free credit card offer attractiveness, .966 for financial literacy, and .947 for financial well-being. The financial-literacy reliability test had 107 valid cases because one response was removed through listwise deletion. Corrected item-total correlations were high, and dropping any individual item did not improve alpha in a meaningful way. No item was removed.

Table 10. KMO and Bartlett's test. Source: SPSS output.

Factorability / construct-structure indicator	**Result**	**Interpretation**
Kaiser-Meyer-Olkin (KMO)	.928	Excellent sampling adequacy
Bartlett's test	χ^2 = 2176.156	Significant
df	105	
Sig.	< .001	Correlations among items are suitable for factor analysis

The KMO value was .928, indicating very good sampling adequacy for examining the item correlation matrix. Bartlett's test of sphericity was significant, $\chi^2(105) = 2176.156$, $p < .001$. The result indicates that the relationships among the items were adequate for an exploratory assessment of their underlying structure.

The PCA resulted in two components with eigenvalues above 1. The first explained 72.801% of the variance and the second explained 8.900%, producing a cumulative explained variance of 81.701%. After Varimax rotation, the components accounted for 47.027% and 34.674%, respectively. Financial well-being items generally grouped together, as did the free credit card offer items, while several financial-literacy items showed cross-loadings. The results support a two-component pattern, although some overlap means the constructs should be interpreted with caution.

4.4 Research Question and Hypothesis Testing

Table 11. Pearson correlation results. Source: SPSS output.

Variables	**Pearson r**	**p-value**	**N**	**Interpretation**
IV1 ↔ Financial Well-being	.696	< .001	108	Strong positive relationship
Financial Literacy ↔ Financial Well-being	.851	< .001	108	Very strong positive relationship
IV1 ↔ Financial Literacy	.780	< .001	108	Strong positive relationship

For RQ1, free credit card offer attractiveness had a positive and statistically significant Pearson correlation with financial well-being ($r = .696$, $p < .001$). Within this sample, respondents who gave higher ratings to the offers also tended to report higher financial well-being.

For RQ2, financial literacy showed a stronger positive association with financial well-being ($r = .851$, $p < .001$). Respondents with higher financial literacy scores also tended to report higher financial well-being scores.

Table 12. Multiple regression model summary. Source: SPSS output.

Model statistic	**Result**
R	.853
R^2	.727
Adjusted R^2	.722
F	139.861
Model p-value	< .001
Standard error of estimate	.5960

The regression model was statistically significant, $F(2,105) = 139.861$, $p < .001$. Its R^2 value of .727 indicates that the two predictors jointly accounted for 72.7% of the variation in the financial well-being score. The adjusted R^2 was .722.

Table 13. Regression coefficients. Source: SPSS output.

Predictor	**B**	**SE**	**Beta**	**t**	**p-value**	**VIF**
Constant	.506	.179	—	2.822	.006	—
Free Credit Card Offer Attractiveness	.077	.077	.082	1.002	.319	2.559
Financial Literacy	.746	.077	.787	9.655	< .001	2.559

The regression equation was: Financial Well-being = 0.506 + 0.077(Free Credit Card Offer Attractiveness) + 0.746(Financial Literacy). Financial literacy had a significant positive coefficient ($\beta = .787$, $p < .001$). After financial literacy was included, the coefficient for free credit card offer attractiveness remained small and was not statistically significant ($\beta = .082$, $p = .319$). Both predictors had a VIF of 2.559, and the maximum condition index was 10.789, with no indication of serious multicollinearity.

The standardized residuals ranged from -2.940 to 3.325. The histogram, normal P-P plot, and scatterplot from the SPSS output did not show an extreme diagnostic issue that would require changing the reported regression model.

Table 14. Hypothesis-testing decisions. Source: SPSS output.

Hypothesis	**Decision**	**Evidence**
H1: Free credit card offer attractiveness has a significant relationship with financial well-being.	Not supported in the multiple regression model	$\beta = .082$, $p = .319$; bivariate $r = .696$, $p < .001$
H2: Financial literacy has a significant relationship with financial well-being.	Supported	$\beta = .787$, $p < .001$; bivariate $r = .851$, $p < .001$

The hypothesis decisions differ depending on whether the relationship is considered at the bivariate or multivariable level. H1 is not supported by the multiple regression because the unique coefficient for offer attractiveness was not significant ($\beta = .082$, $p = .319$), even though its bivariate correlation with financial well-being was significant. Thus, RQ1 is positive at the correlation level, while H1 is not supported once both predictors are entered together. H2 is supported because financial literacy was significant in both the correlation and regression analyses.

4.5 Summary of Findings

- There were 108 university students in the final sample.
- Financial literacy had the highest construct mean ($M = 3.3292$), followed by free credit card offer attractiveness ($M = 3.306$) and financial well-being ($M = 3.244$).
- Cronbach's alpha values ranged from .947 to .966, showing high internal consistency across the three scales.
- Free credit card offer attractiveness showed a strong positive bivariate relationship with financial well-being ($r = .696$, $p < .001$).
- Financial literacy showed a very strong positive relationship with financial well-being ($r = .851$, $p < .001$).
- The two-predictor regression model accounted for 72.7% of the variance in financial well-being.
- Financial literacy was the strongest unique predictor of financial well-being ($\beta = .787$, $p < .001$).
- After controlling for financial literacy, free credit card offer attractiveness was not a significant unique predictor ($\beta = .082$, $p = .319$).
- The PCA indicated a two-component structure, although several financial-literacy items had cross-loadings.

5. Discussion and Conclusion

5.1 Discussion of Findings

RQ1 examined the relationship between free credit card offer attractiveness and financial well-being. The Pearson correlation was positive and fairly strong ($r = .696$, $p < .001$). In this sample, respondents who viewed the offers more positively also tended to report better financial well-being. This finding describes an association only. Because the research was cross-sectional, it cannot show that attractive offers caused better financial outcomes.

RQ2 focused on financial literacy. Financial literacy had a much stronger positive correlation with financial well-being ($r = .851$, $p < .001$). This agrees with earlier research linking financial knowledge and credit-card literacy with student financial outcomes (Norvilitis et al., 2006; Limbu and Sato, 2019). It is also relevant to Bangladesh, where Aktar et al. (2023) reported a low proportion of students with adequate financial literacy in their sample.

The regression results show what happens when the two predictors are considered together. Financial literacy remained significant, whereas offer attractiveness did not. One possible explanation is that students who are attracted to appealing credit offers may also differ in financial knowledge, and the two predictors were strongly correlated (r = .780). Once financial literacy entered the model, part of the information shared with offer attractiveness was already accounted for. This is only a possible explanation; the study cannot determine the reason for the change.

The result for financial literacy is consistent with Limbu and Sato (2019), who found a positive relationship between credit-card literacy and college students' financial well-being. It is also consistent with Gutter and Copur (2011), who linked financial behaviors, including risky credit-card behavior, with student financial well-being. In the present study, offer attractiveness did not remain a significant unique predictor after financial literacy was controlled.

Bartholomae and Fox (2021) noted that findings about college-student financial behavior and well-being differ across studies and settings. The present results likewise suggest that the meaning of an attractive credit offer is connected to students' financial knowledge. Offer attractiveness was associated with how students viewed their financial situation, but financial literacy had the stronger statistical contribution in the regression model.

5.2 Theoretical Implications

The findings fit a financial-capability perspective because financial knowledge was the strongest predictor in the model. This suggests that understanding credit obligations may matter when students manage financial products. The result does not imply that access to credit or promotional benefits have no value; rather, offer attractiveness did not explain additional variation in well-being once financial literacy was considered.

The findings also relate to the self-control perspective in student credit research. Self-control was not measured directly in this study, so the mechanism cannot be tested here. Peltier, Dahl and Schibrowsky (2016), however, show why spending control and credit management matter when studying student debt. Future work could include self-control, credit-card self-efficacy, debt level, or financial stress to examine these factors more directly.

5.3 Practical/Managerial Implications

- Banks and other card providers should present student offers with the main financial obligations clearly explained. Information on interest, fees, repayment, and minimum payments should be easy to find rather than presented as minor details.
- Cashback, discounts, or fee waivers may still be used as promotional features, but they should be accompanied by clear information about costs and repayment. This would help students assess the full offer before making a decision.
- Universities can include practical credit-related topics in financial-literacy programmes. Repayment, interest charges, minimum payments, spending control, and debt management are useful subjects for students beginning to use formal financial products.
- Before accepting an introductory credit-card offer, students should look at the full repayment obligation. A fee waiver or reward may be appealing, but it does not remove the need to understand interest, charges, and repayment terms.

- The findings may also inform policymakers and financial-sector stakeholders when developing responsible marketing practices and financial-education initiatives for young adults.

5.4 Limitations

- The study included 108 respondents, so the findings cannot be generalized to all university students in Bangladesh without additional evidence.
- Participants were recruited through non-probability, convenience-based sampling. Students who were easier to reach may differ from those who were not reached, which reduces representativeness.
- The data were self-reported and collected through an online questionnaire. As a result, response bias and common-method bias are possible.
- Because the research was cross-sectional, it identifies associations at one point in time and cannot establish that offer attractiveness or financial literacy causes changes in financial well-being.
- The university variable includes different spelling and capitalization forms for some institutions. The original entries were kept, but they were not recoded into standardized university categories for this paper.
- The PCA showed some cross-loadings, particularly among the financial-literacy items. Also, two financial well-being statements refer directly to financial stress and difficulty caused by debt, so the wording is not fully uniform in direction. The SPSS analysis was kept as conducted, while future studies should use a validated, clearly directional well-being measure and confirm the measurement structure with confirmatory methods.
- The model does not include several factors that may also be relevant to student financial well-being, such as income, family financial support, debt amount, self-control, financial self-efficacy, and socioeconomic background.

5.5 Future Research / Recommendations

- Future research should use larger samples drawn from more public and private universities and from different regions of Bangladesh. A more representative sampling method would improve the generalizability of the results.
- A longitudinal study could follow students over time to see whether their financial well-being changes after receiving or using promotional credit-card offers.
- Future models could include credit-card debt, self-control, financial self-efficacy, income, and spending behavior. These variables may help explain why students respond differently to similar credit offers.
- Where suitable, researchers should use established multi-item measures of financial literacy and financial well-being. Confirmatory factor analysis could also be used to test whether the constructs are clearly separated before examining their structural relationships.
- Banks and universities could jointly provide financial-literacy activities that teach students how to compare credit offers, understand repayment obligations, and avoid unnecessary borrowing.

5.6 Conclusion

The study examined the relationships among free credit card offer attractiveness, financial literacy, and financial well-being among university students in Bangladesh. The correlation results were positive for both predictors, but the regression results changed when the two variables were considered together. Financial literacy remained significant ($\beta = .787$, $p < .001$), while the unique effect of offer attractiveness was not significant ($\beta = .082$, $p = .319$). Together, the predictors explained 72.7% of the variation in financial well-being.

For this sample, financial literacy had the stronger statistical relationship with reported financial well-being when both predictors were examined together. This conclusion should be viewed in light of the 108-person convenience sample and the cross-sectional design. The findings support greater attention to credit-related financial literacy, while the role of promotional offers needs further study using larger samples, stronger measures, and additional variables.

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Appendices

Appendix A: Final Questionnaire

Title: The Impact of Free Credit Card Offers on University Students' Financial Well-being.

Introduction: This survey was conducted for the Business Research course to understand how free credit card offers and financial literacy may relate to the financial well-being of university students in Bangladesh. Participation was voluntary and responses were used for academic purposes.

Section A: Consent

1. Do you agree to participate in this survey? Yes / No

Section B: Background Information

2. Age: 18–20 / 21–23 / 24–26 / 27 or above

3. Gender: Male / Female / Prefer not to say

4. Name of your university

5. Current level of study: Undergraduate / Postgraduate

6. Which year/semester are you currently studying in? 1st Year / 2nd Year / 3rd Year / 4th Year / 5th Year or above / Postgraduate

7. Do you currently have or use a credit card? Yes / No

8. Have you ever seen or received an offer for a student credit card? Yes / No

Section C: Measurement Statements

Response scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

IV1 – Free Credit Card Offer Attractiveness

9. A credit card with no annual fee for the first year is attractive to university students.

10. Student-specific discounts and offers make a credit card more attractive to me.

11. Easy application requirements make free credit card offers attractive to students.

12. Cashback, discounts, or other rewards can encourage students to accept a free credit card offer.

13. Free credit card offers can encourage university students to apply for a credit card.

IV2 – Financial Literacy

14. I understand that credit card spending must be repaid.

15. I understand that credit cards may involve interest and other charges.

16. I know that paying only the minimum amount can increase the total amount I owe.

17. I understand that unnecessary credit card spending can lead to financial problems.

18. I know how to use a credit card responsibly within my financial ability.

DV – Financial Well-being

19. I am able to manage my regular expenses without major financial difficulty.

20. I can control my spending when I have access to credit.

21. Credit card debt can create financial stress for university students.

22. Having too much credit card debt can make it difficult for students to manage their other expenses.

23. Overall, responsible use of credit cards can help students maintain better financial well-being.

Appendix B: Analytical Notes

The final analysis used 108 respondents. Construct means were calculated from the five corresponding items. Pearson correlations used pairwise available data, while the multiple regression used listwise cases. The financial-literacy reliability analysis excluded one case because of missing data. The original raw dataset was not altered to manufacture missing responses or university identities.