

Financial Barriers and College Success: Findings from a Student Financial Wellness Survey

SFARN Conference; June 8, 2018

Jeff Webster, Trellis Company, Director of Research

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Outline

- Research Topics
- Methodology
- Findings
 - Student Financial Security
 - Basic Needs Security
 - Paying for College and Student Debt
 - Student Perceptions of Institutional Support





Research Topics

Research Topics

- Financial knowledge
- Financial challenges, stress and behaviors
- Attitudes about student debt
- Academic goals
- Paying for college
- Food, housing, and transportation insecurity
- Perceptions of institutional support





Methodology

Research Methodology-Population

Four-Year Public Institutions

Angelo State University
Sam Houston State University
Texas A&M International University
Texas A&M University - College Station
Texas A&M University – Commerce
The University of Oklahoma
West Texas A&M University

Community Colleges

Austin Community College System
Brazosport Community College
Palo Alto Community College

Four-Year Private Institutions

Huston-Tillotson University
Martin Luther College

Survey Metrics for Spring 2018 Student Financial Wellness Survey

Survey Population	53,693 students
Responses	6,026 students
Response Rate	11%
Completion Rate	88%
Median Time Spent	13 minutes

- Survey launched on February 12, 2018
- Twelve schools, 3 school sectors, and 3 states.
- Responders were more full-time, female, and older than survey population.



Research Methodology-Scales

- Lusardi-Mitchel 3-question financial knowledge scale
- Net promoter scale
- Debt aversion scale from Boatman-Evans
- USDA six-question food security scale
- HOPE Lab housing security and homelessness scale, although based on 12 month period





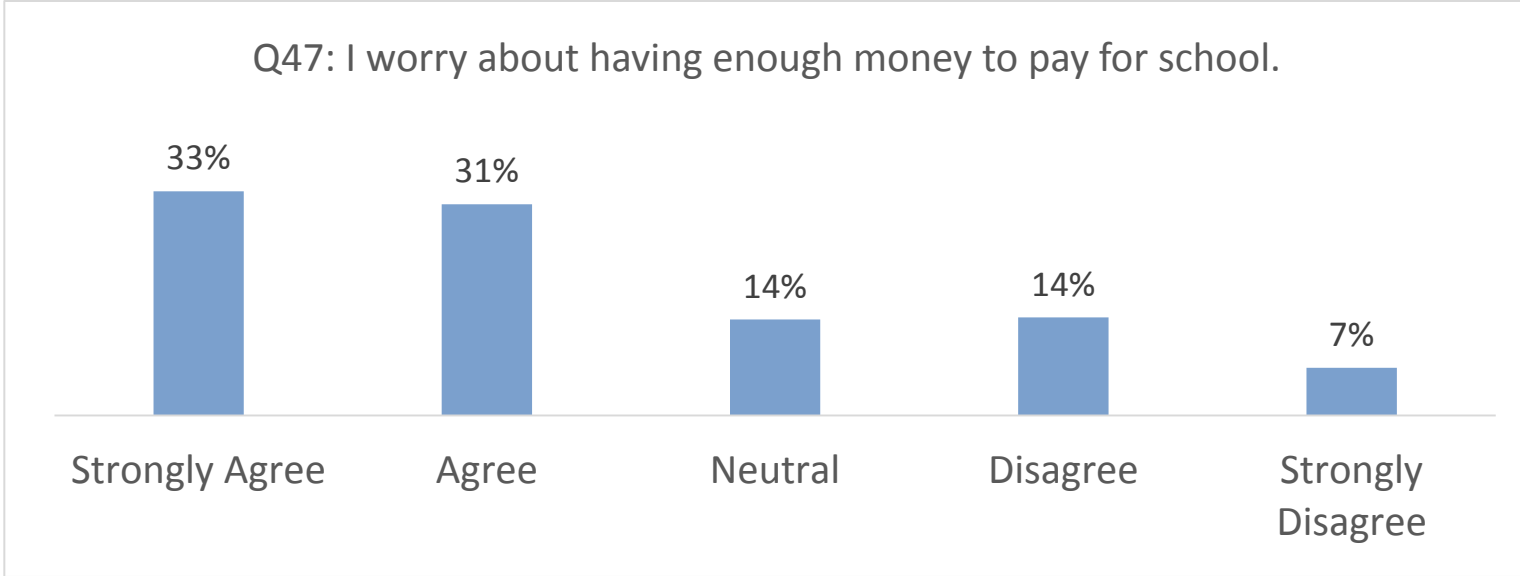
Findings

Student Financial Security

- Financial wellness issues are common challenges for postsecondary students.
- Besides the mental and emotional toll of financial insecurity, students surviving on narrow margins are far more vulnerable to academic disruptions caused by unexpected expenses.
- With this information, campuses can:
 - Begin conversations about the design and delivery of various institutional financial aid programs (where applicable).
 - Provide students with support to financially plan for their degree.
 - Evaluate their messaging related to student refunds and work support to assist with managing the cash flow challenges that students have.
 - Redefine how they view financial wellness (including through institutional metrics like Cost of Attendance) for students who have responsibilities to support family members.



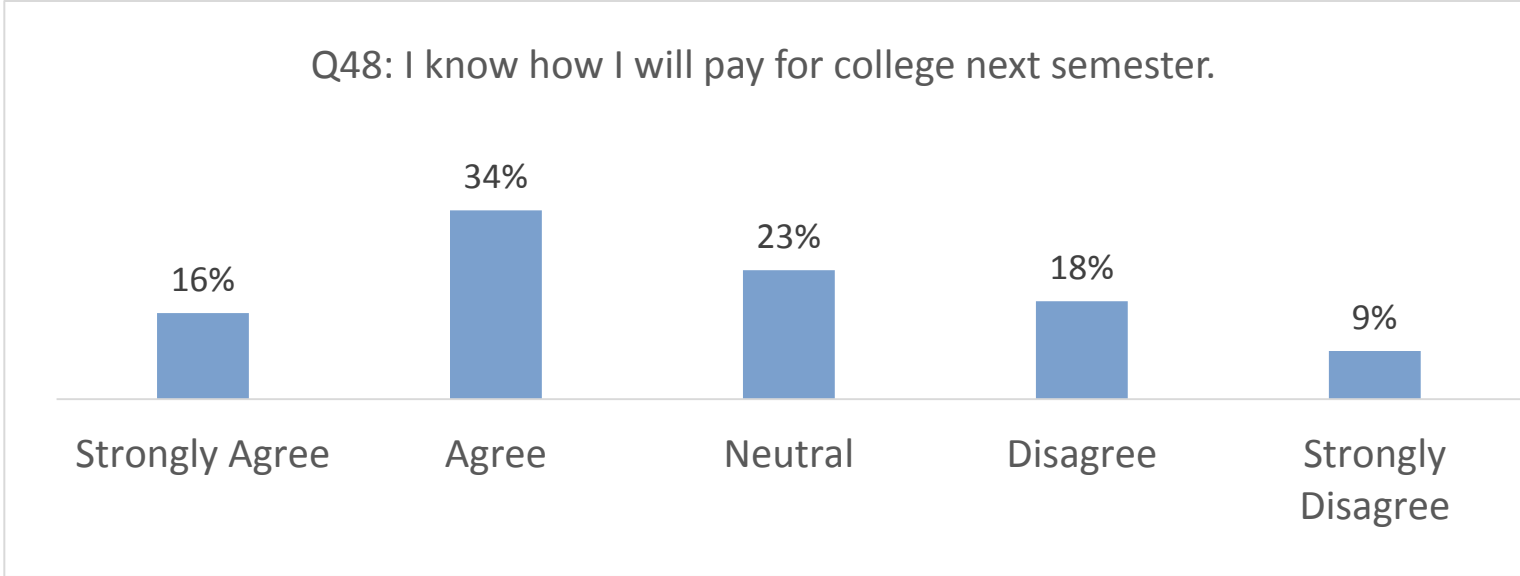
Student Financial Security



- Most students worry about paying for college. Almost two in three respondents (64 percent) agreed or strongly agreed that they worry about having enough money to pay for school.



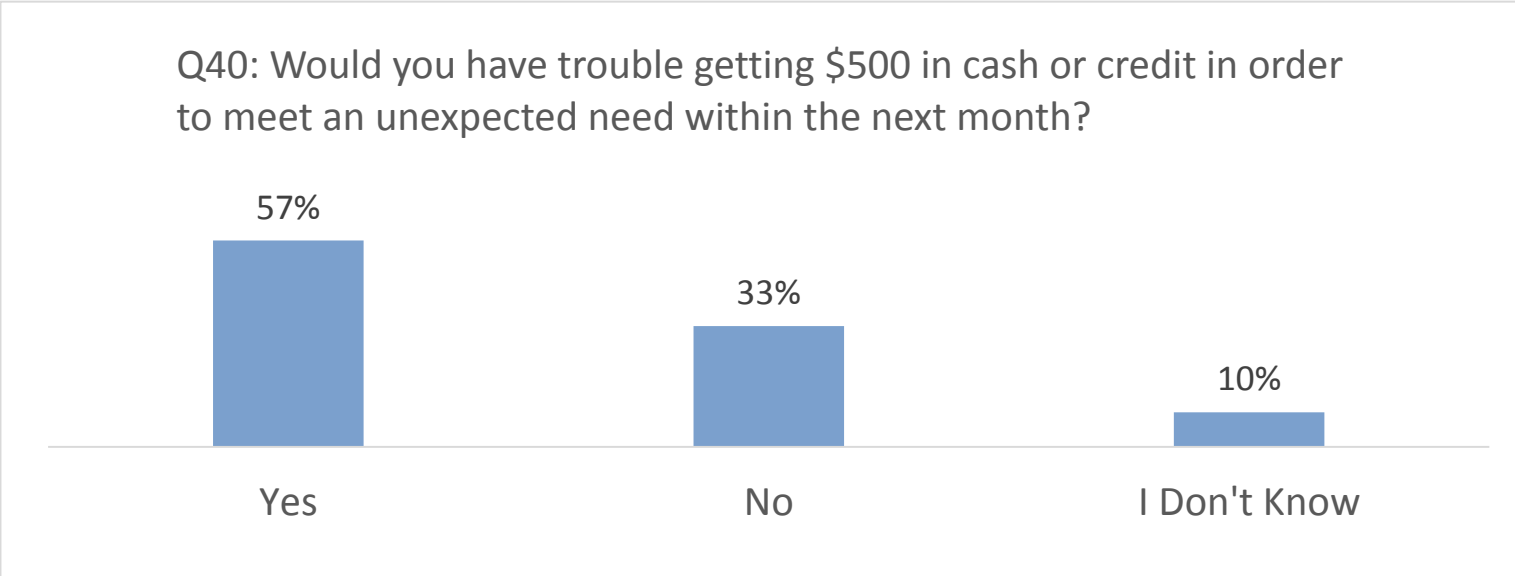
Student Financial Security



- Many students lacked a plan for paying for their next semester. More than a quarter of respondents (27 percent) disagreed or strongly disagreed that they knew how they would pay for college next semester.



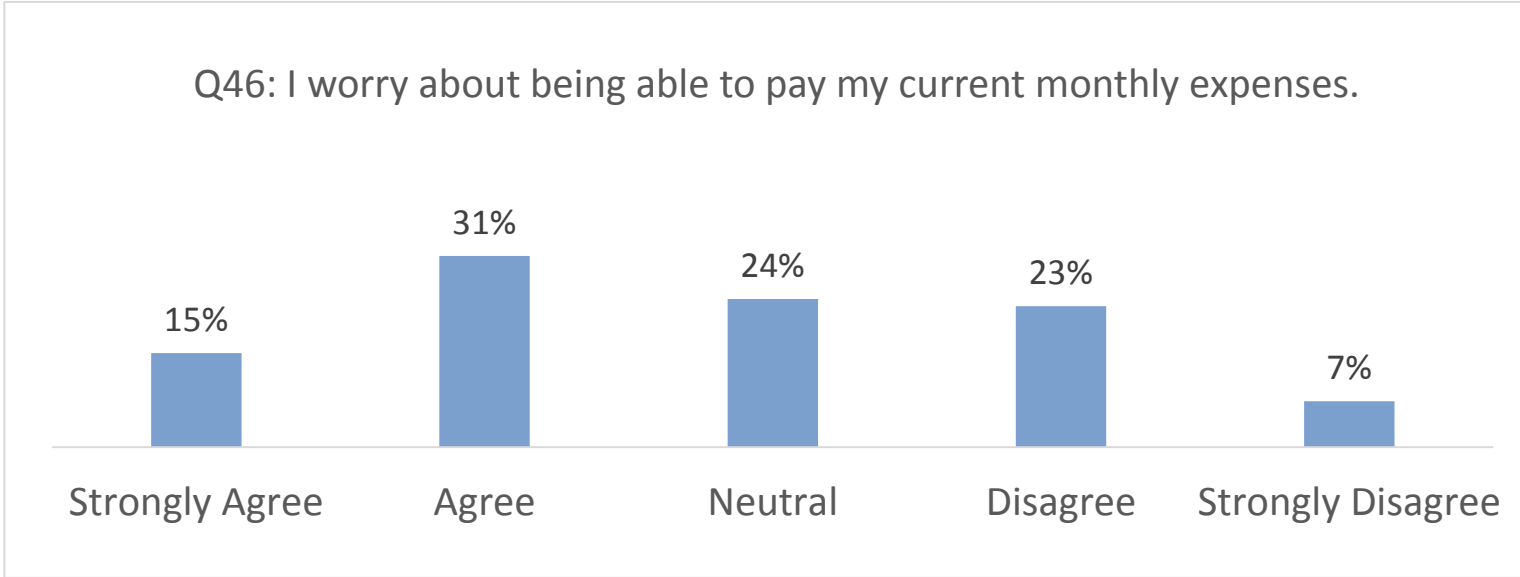
Student Financial Security



- Students' finances appear precarious, susceptible to unexpected expenses. More than half of respondents (57 percent) indicated they would have trouble getting \$500 in cash or credit for an emergency.



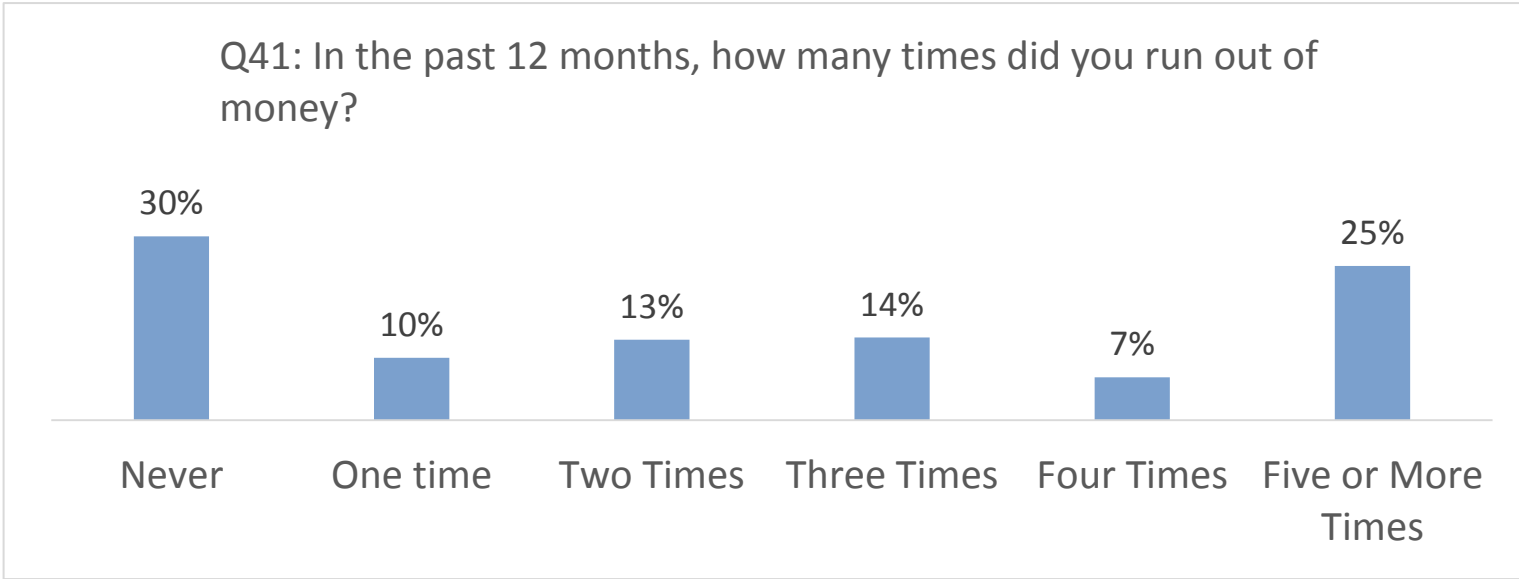
Student Financial Security



- Students worry about ongoing expenses. Almost half (46 percent) of respondents worry to some degree about paying for their current monthly expenses.



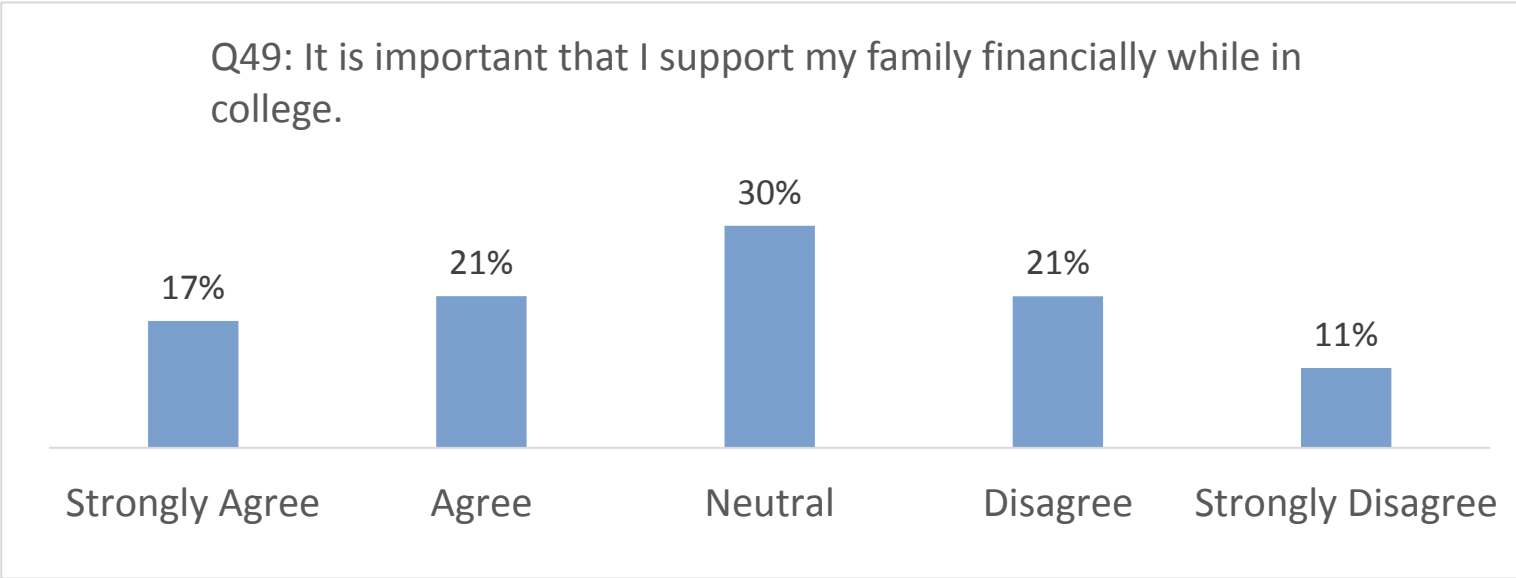
Student Financial Security



- Running out of money at some point in a year is common among college students, but nearly half face the brink an unsettling number of times.
 - More than two thirds (70 percent) of respondents reported running out of money at least once in the past 12 months.
 - Almost half (46 percent) reporting running out of money three or more times.



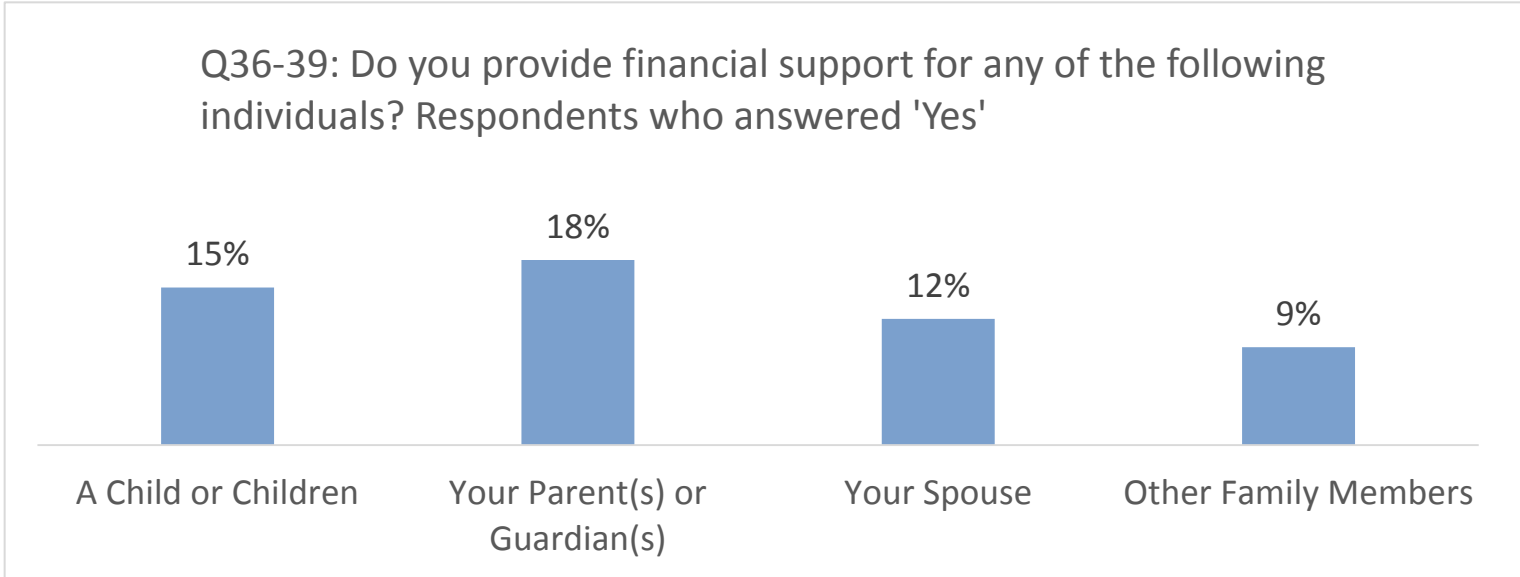
Student Financial Security



- More than one third of respondents (38 percent) agreed or strongly agreed that it is important that they support their family financially while in college.



Student Financial Security



- Eighteen percent of respondents reported providing financial support for parents or guardians and nine percent for other family members.

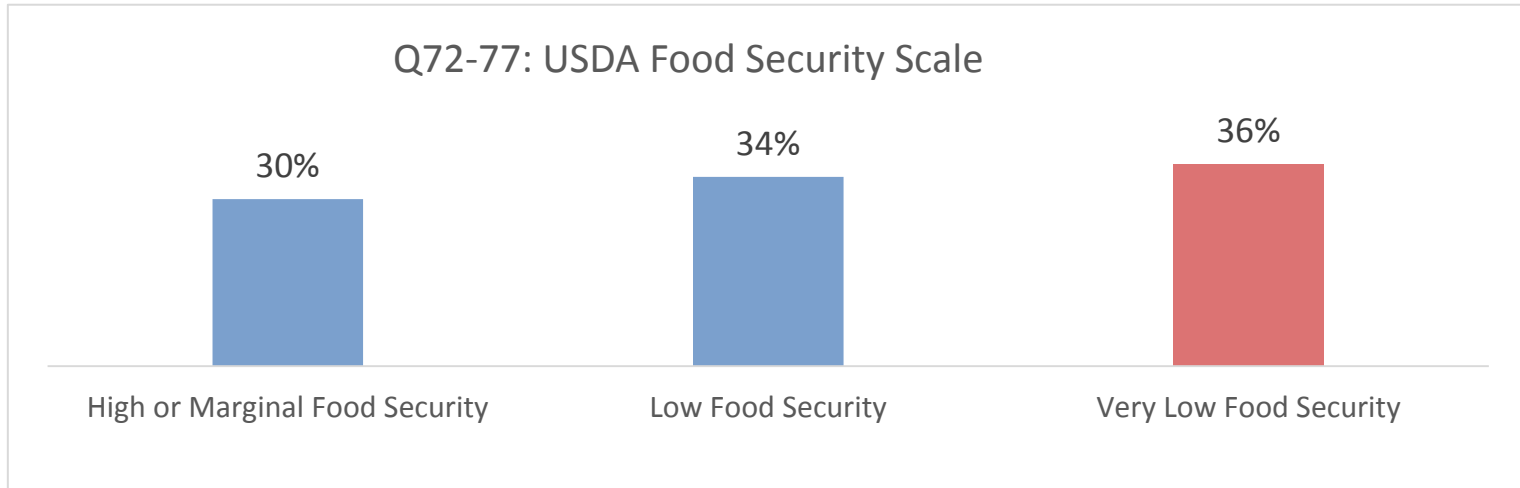


Basic Needs Security

- Students who struggle with basic needs – nutrition, safe shelter, transportation, healthcare, etc. – will have a more difficult path to earning a degree.
- With this information, campuses can:
 - Provide and/or connect resources and financial education to students struggling to meet their basic needs.
 - Provide emergency support services for students such as food pantries, temporary housing or emergency funding.
 - Begin to engage in crisis support teams, which can work to holistically case manage identified students struggling with the aforementioned issues.



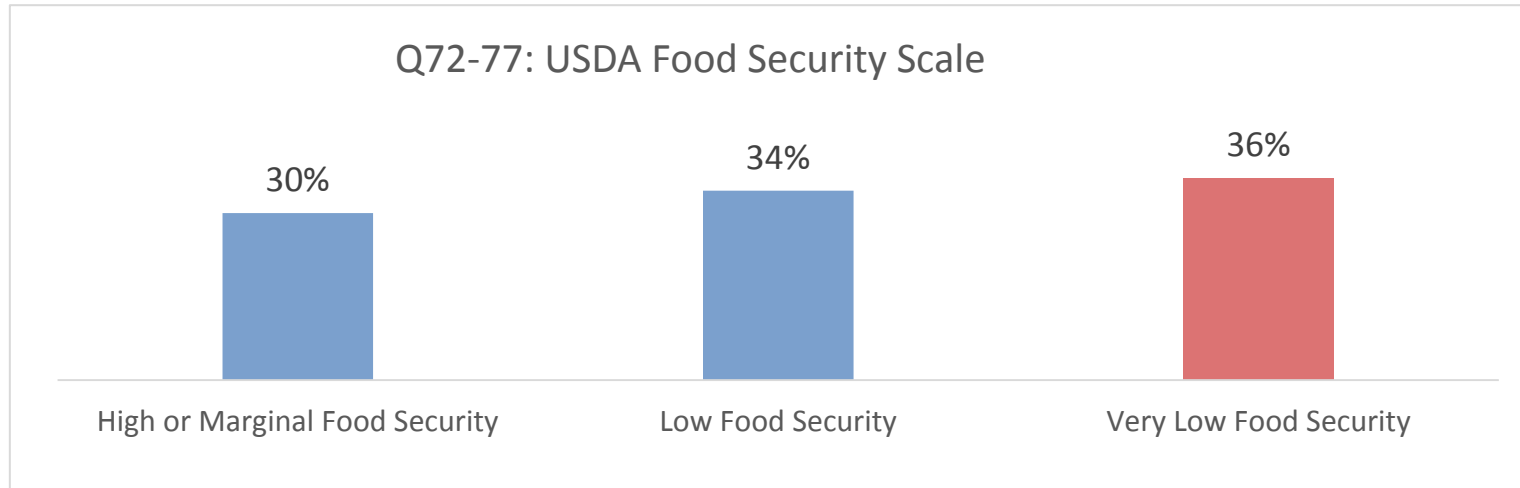
Basic Needs Security



- More than one third of respondents (36 percent) showed signs of very low food security, “reports of multiple indications of disrupted eating patterns and reduced food intake.”



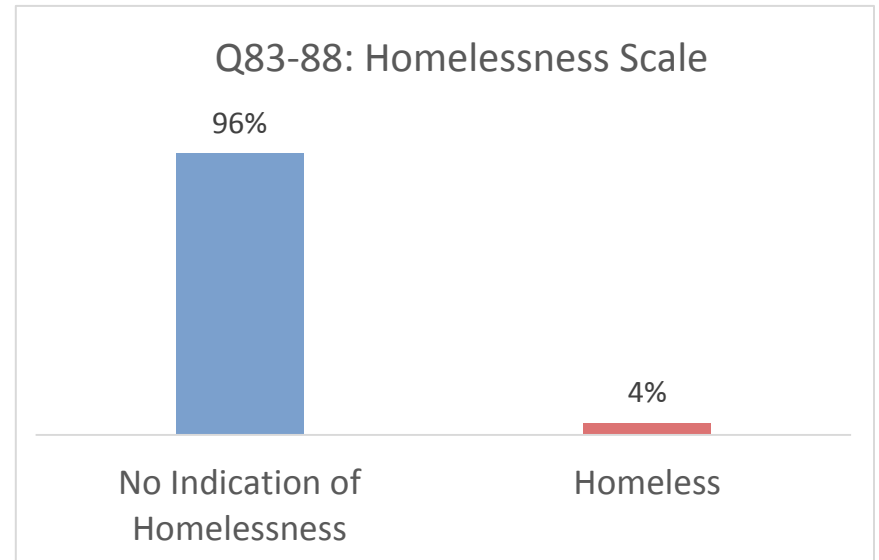
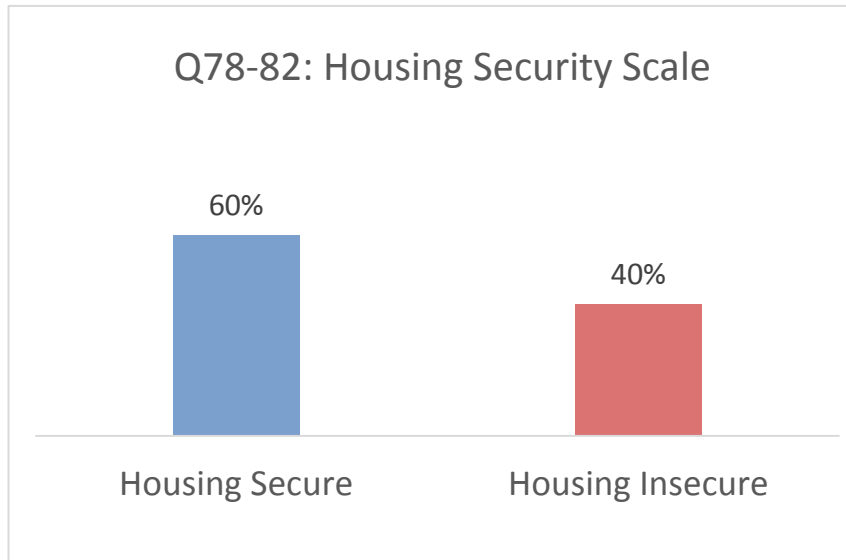
Basic Needs Security



- Students with very low food security tended to answer at higher rates that they would have trouble getting \$500 in cash or credit in case of an emergency.
- Respondents with very low food security also tended to worry more about having enough money to pay for school (Q47) and responded at lower rates that they know how they will pay for college next semester (Q48).
- Respondents with very low food security tended to say at higher rates they had used public food assistance in the past year (Q58).
- Respondents with a history in foster care or as a dependent of the court (Q105) were associated with higher rates of very low food security.



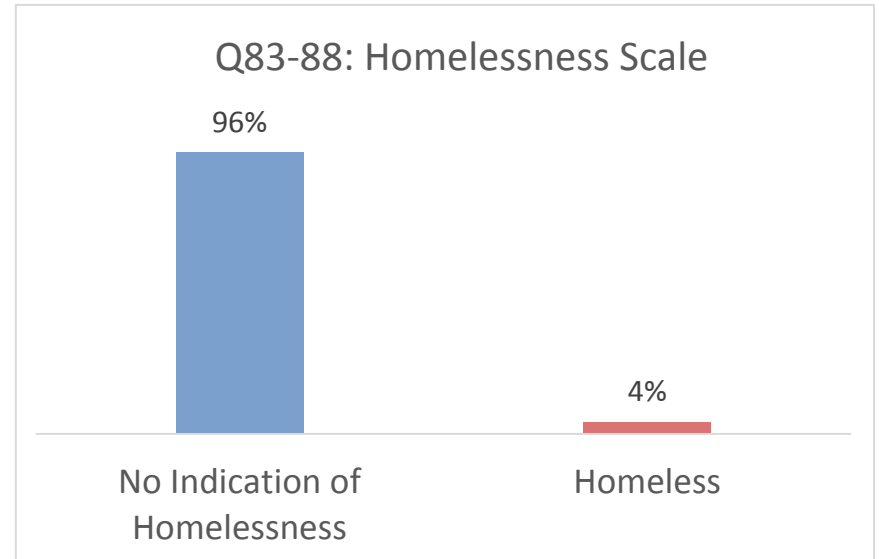
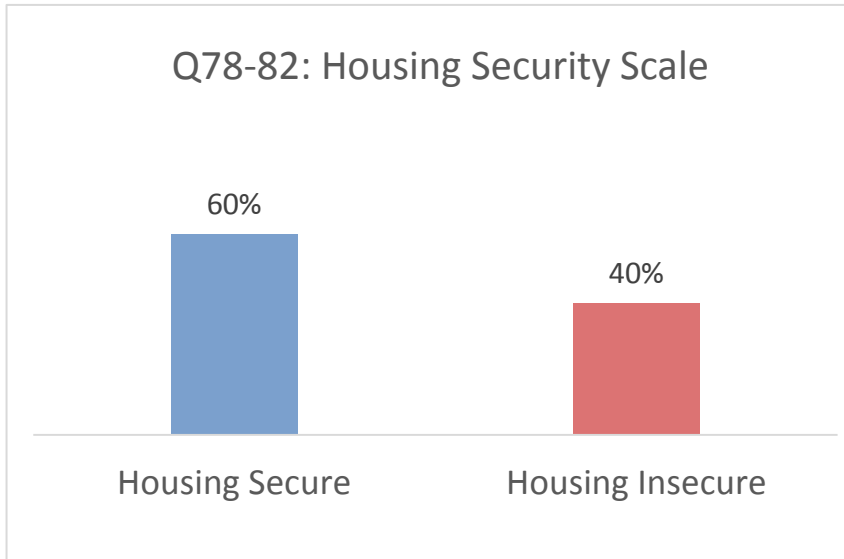
Basic Needs Security



- Forty percent of respondents in the SFWS showed signs of being housing insecure.
- Four percent indicated homelessness within the 12 months prior to the survey.
- Respondents who were housing insecure and/or homeless tended to answer at higher rates that they would have trouble getting \$500 in cash or credit in case of an emergency.



Basic Needs Security



- Respondents with housing insecurity and/or homelessness also tended to respond at higher rates that they worried more about having enough money to pay for school (Q47) and at lower rates that they knew how they would pay for college next semester (Q48).
- Respondents who were housing insecure and/or homeless were associated with higher rates of being part-time students, over 25 years of age, and having been in foster care or a dependent of the court.

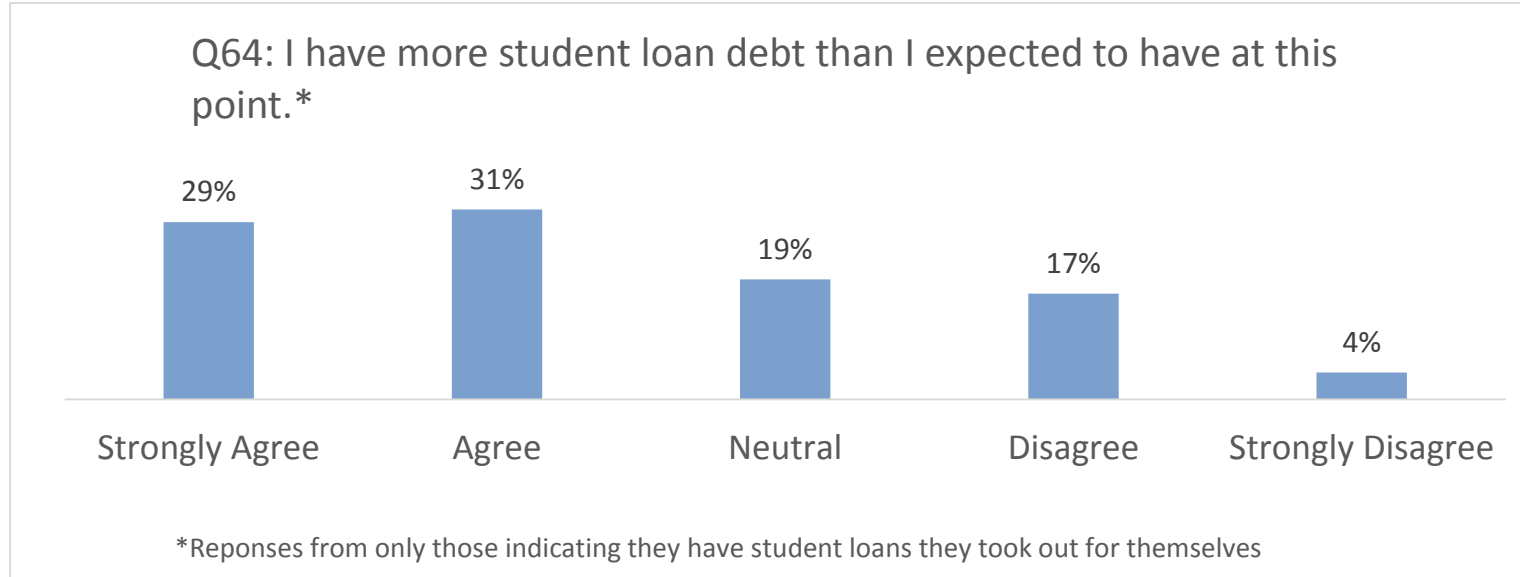


Paying for College and Student Debt

- Paying for college often involves piecing together money from a variety of sources, including federal, state, institutional, and private grants, family support, personal income, savings, and various loan products
- With this information, campuses can:
 - Evaluate the various student touch points that they have to provide additional support for student financial literacy and entrance counseling.
 - Look at the environmental factors that support healthy financial decision making, including campus policies and procedures related to student payments, collections and debt products on or near campus.
 - Explore additional ways to get students enrolled in safe, legitimate financial services products (such as bank accounts).



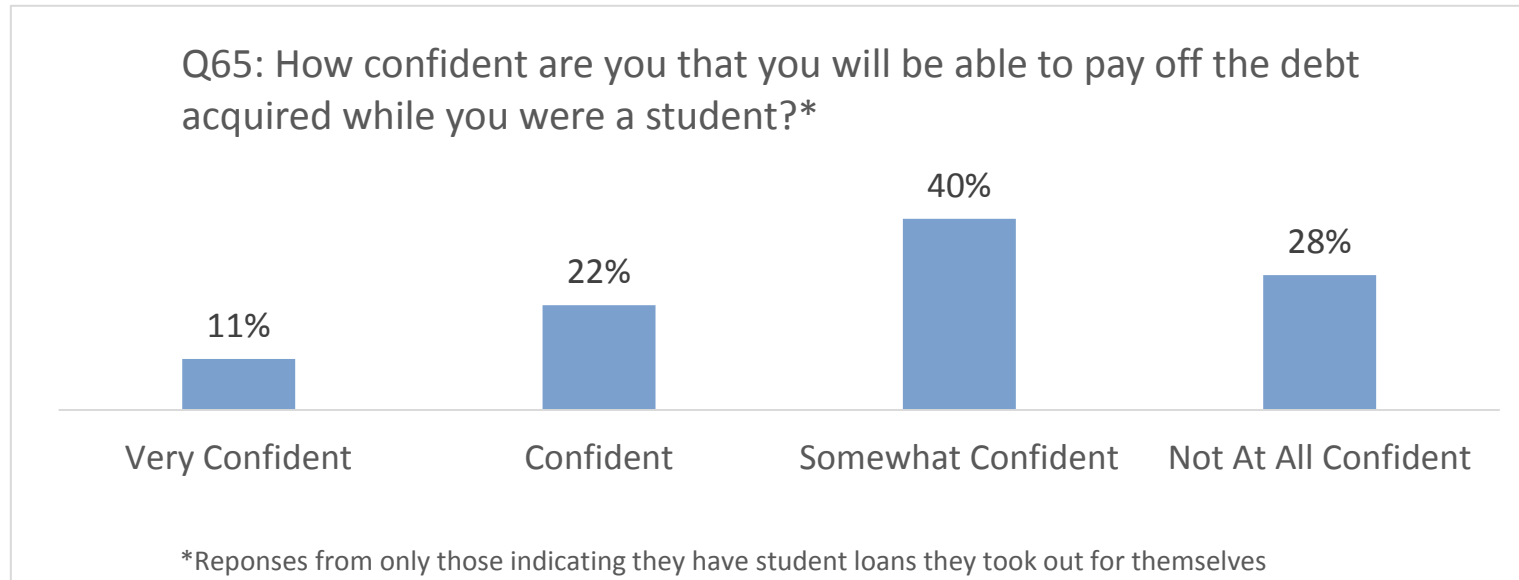
Paying for College and Student Debt



- A majority of respondents (60 percent) who borrowed agreed or strongly agreed with the statement that they had more student loan debt than they expected at this point.



Paying for College and Student Debt



- More than two thirds of respondents who reported having student loan debt were not at all confident or only somewhat confident that they would be able to pay off the debt acquired while they were a student.

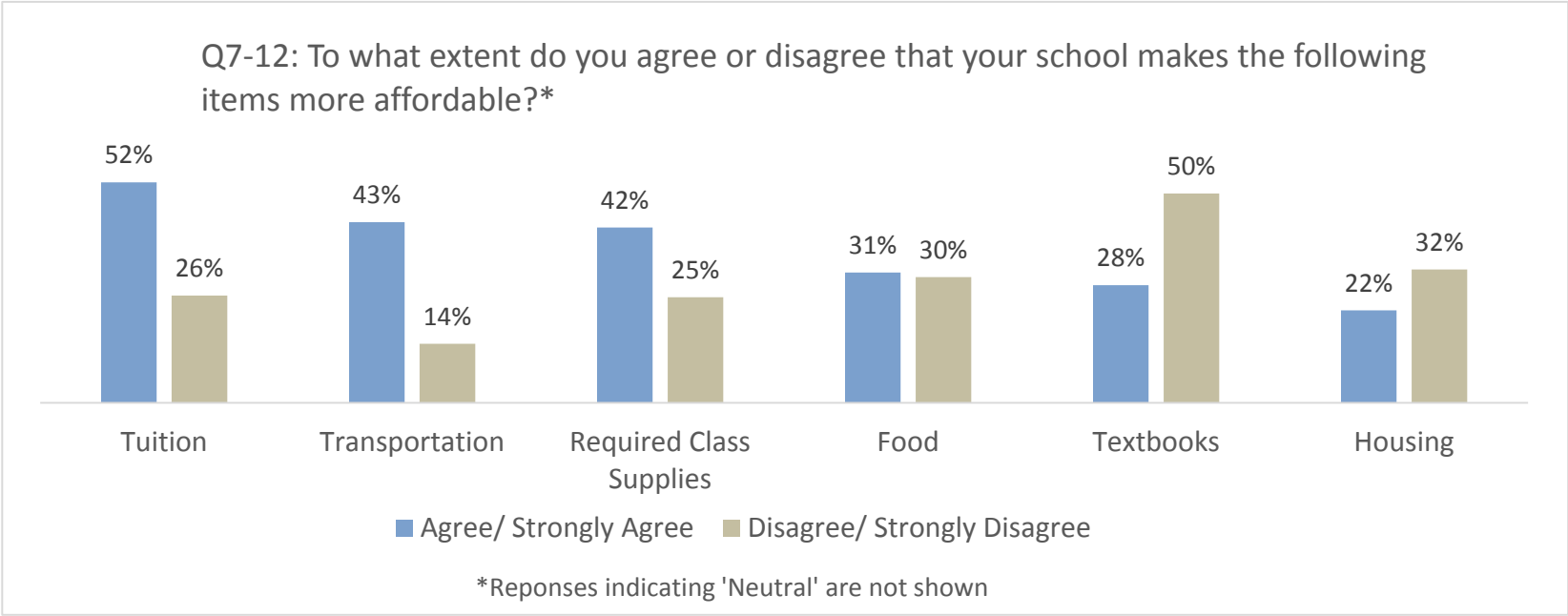


Student Perceptions of Institutional Support

- Student perceptions about how their college understands their financial situation may contribute to a sense of belonging for students, which has been linked in research to greater retention through certain high impact practices (e.g., research with faculty, campus leadership, learning communities).
- With this information, campuses can:
 - Evaluate how they message affordability to students. While tuition freezes and even small decreases are great strides, they may come off as insensitive to students who are facing daily cash flow challenges.
 - Work to provide intentional programs and discussions on campus related to reducing some supplemental costs of education.
 - Intentionally train staff and faculty about the financial realities of their student body.



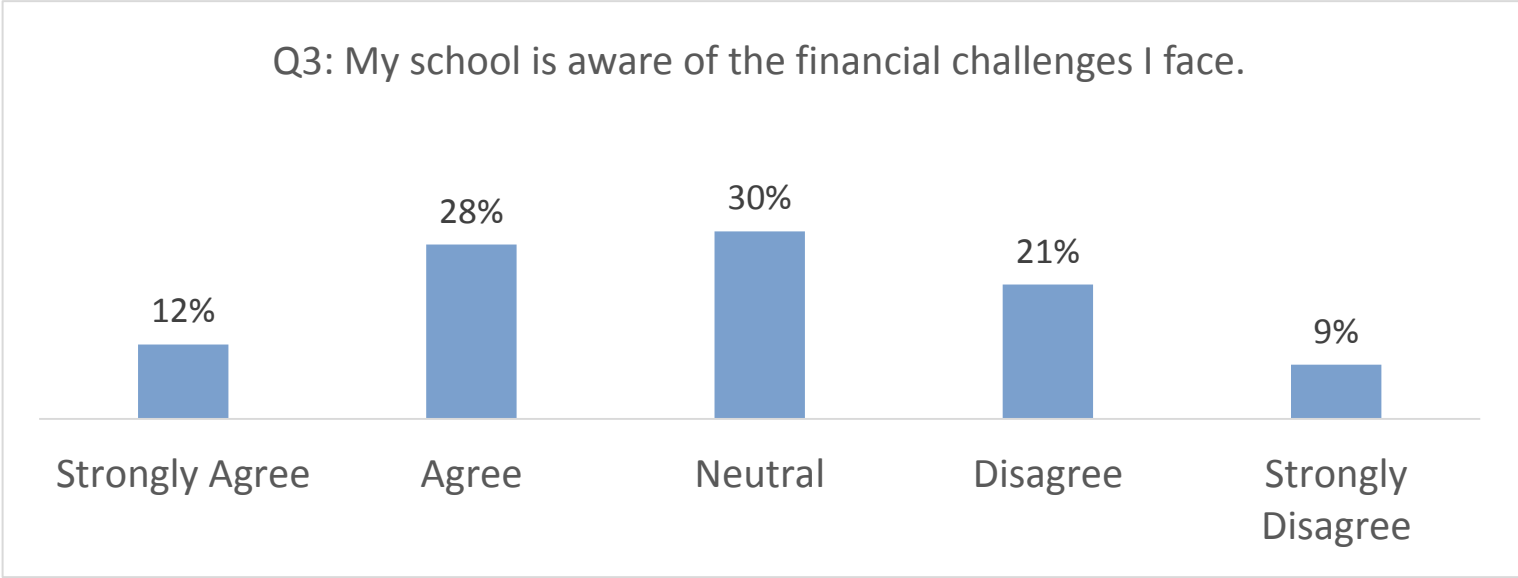
Student Perceptions of Institutional Support



- To varying degrees, many respondents reported that their school makes tuition (52 percent), transportation (43 percent), and required class supplies (42 percent) more affordable.
- Fewer respondents thought their school makes food (31 percent) and housing (22 percent) more affordable. Respondents from community colleges rated housing lower than their peers attending other types of schools, thus driving down the overall rating.
- One common complaint of students is that many classes require textbooks that are too expensive and rarely used. Half of respondents disagreed or strongly disagreed that their school makes textbooks more affordable.



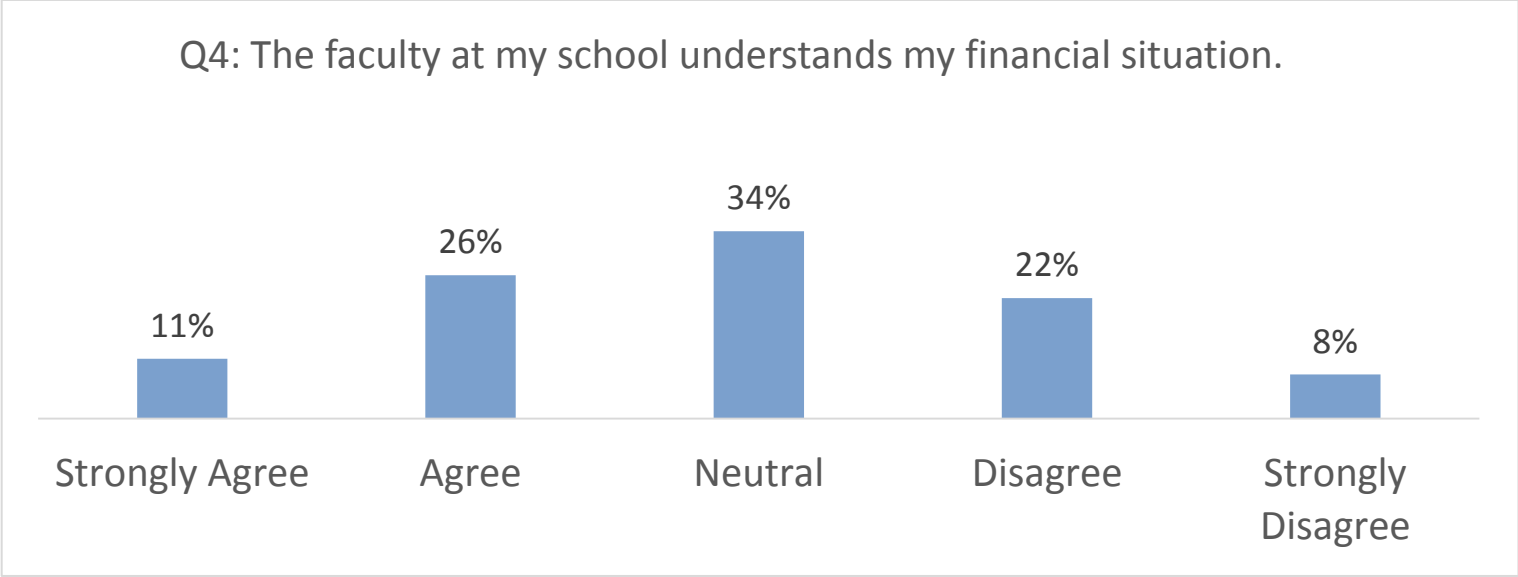
Student Perceptions of Institutional Support



- Forty percent agreed or strongly agreed that their school is aware of their financial challenges, but 30 percent disagreed or strongly disagreed.



Student Perceptions of Institutional Support



- Almost one third of respondents (30 percent) disagree or strongly disagree that their school’s faculty understand their financial situation.



Future Plans

- Next implementation periods in Fall 2018 and Fall 2019.
- We will be releasing additional analysis, including a look at debt aversion amongst respondents.
- Analyzing the data set in more detail, including looking at select educational records provided for those students who consented to have their survey responses matched.



Questions?

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