Five Key Findings from the National Student Financial Wellness Study and How You Can Support Student Financial Wellness

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History
Background

• The National Student Financial Wellness study builds on a decade and a half of ongoing research at Ohio State

• Spending Habits Survey

• Student Financial Wellness Survey

• Ohio Student Financial Wellness Study
  (2010)
  - 19 Ohio colleges and universities, including 2 and 4-year institutions
2014 National Student Financial Wellness Study
Co-Investigators
Participating Institutions

Two-Year Public
Asheville-Buncombe Technical CC
Belmont College
Chippewa Valley Technical College
Columbus State CC
Cuyahoga CC
Sinclair CC
Stark State College
SUNY Orange County CC

Four-Year Private
Berry College
DePaul University
Flagler College
Gustavus Adolphus College
Husson University
Indiana Wesleyan University
Lafayette College
Oberlin College
Ohio Northern University
Otterbein University
University of Denver
Wake Forest University

Four-Year Public
Indiana University
Iowa State University
James Madison University
Kansas State University
Missouri State University
North Dakota State University
Northern Kentucky University
Ohio State University
Ohio University
Pennsylvania State University
Santa Fe College
South Dakota State University
Temple University
Texas A&M University
Texas State University
University of Arizona
University of California - Berkeley
University of Cincinnati
University of Idaho
University of Missouri - Columbia
University of Missouri -St Louis

Four-Year Public, continued
University of North Carolina - Wilmington
University of North Dakota
University of North Texas
University of Northern Iowa
University of Tennessee Chattanooga
University of Utah
University of Wisconsin La Crosse
Utah State University
Washington State University
Weber State University
York University*
Key Content Areas

- Financial Management
- Financial Support
- Financial Socialization
- Credit Cards
- Student Loans
- Entrance/Exit Counseling

- Debt
- Finance-Related Stress
- Cost of College
- Academic Plans
- Financial Knowledge
- Demographics
Survey Administration

- Administered via online survey to random samples of undergraduates during November 2014
  - 3 schools launched January 2015

- Students consent to survey and releasing educational records

- Survey took 10-20 minutes, on average
Response Rates

- Recruited 163,714 students; 18,795 responded for a 11.5% response rate

- Response rates ranged from 4.0% to 25.7%
Key Findings
Preliminary Key Findings Areas

1. Student loans
2. Credit cards
3. Financial behaviors and attitudes
4. Financial knowledge and education
5. Financial futures
Preliminary Key Findings Areas

1. Student loans
2. Credit cards
3. Financial behaviors and attitudes
4. Financial knowledge and education
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Student Loans

- 64% • Use student loans to pay for college
- 36% • Use student loans as their primary source of funding tuition
- 71% • Of students with loans take out federal loans; 19% take out federal and private loans
Expected Student Loan Debt at Graduation

- $1-$9,999: 13.5%
- $10,000-$19,999: 16.5%
- $20,000-$29,999: 18.0%
- $30,000-$49,999: 23.9%
- $50,000-$79,999: 14.1%
- $80,000+: 6.9%
- Don't know: 7.1%
Student Loans

Primary Funding Source for Tuition

- Student loans, 35.5%
- Parents / family, 19.4%
- Scholarships / grants, 35.3%
- Personal savings, 3.2%
- Job, 4.1%
- Other, 2.5%
Student Loans

Primary Funding Source for Housing

- Parents/family: 34.8%
- Personal savings: 6.4%
- Scholarships/grants: 10.2%
- Other: 4.0%
- Student loans: 17.2%
- Job: 27.4%

Primary Funding Source for Books

- Parents/family: 22.5%
- Personal savings: 16.5%
- Scholarships/grants: 17.6%
- Other: 4.8%
- Student loans: 18.6%
- Job: 20.0%
Preliminary Key Findings Areas

1. Student loans

2. Credit cards

3. Financial behaviors and attitudes

4. Financial knowledge and education

5. Financial futures
Credit Cards

57%
- Have at least one credit card

47%
- Pay their entire credit card balance monthly

8%
- Have a credit card balance of $3,000 or more each month
Preliminary Key Findings Areas

1. Student loans

2. Credit cards

3. Financial behaviors and attitudes

4. Financial knowledge and education

5. Financial futures
Financial Stress

(\% of students who agree or strongly agree)

- I feel stressed about my personal finances in general: 72.1\% (All Institutions), 76.1\% (2-Year Public), 71.9\% (4-Year Public), 70.2\% (4-Year Private)
- I worry about being able to pay my current monthly expenses: 50.5\% (All Institutions), 64.1\% (2-Year Public), 49.5\% (4-Year Public), 46.6\% (4-Year Private)
- I worry about having enough money to pay for school: 59.8\% (All Institutions), 65.5\% (2-Year Public), 59.3\% (4-Year Public), 59.1\% (4-Year Private)

*p<.01, **p<.001
Budgeting

**p<.001**

I have a weekly or monthly budget that I follow**

- **Never**: 12.3%, 7.8%, 12.6%, 13.9%
- **Sometimes**: 36.6%, 27.5%, 37.7%, 36.0%
- **Frequently**: 29.0%, 31.9%, 28.7%, 28.2%
- **Always**: 22.1%, 20.9%, 22.0%

- All Institutions
- 2-Year Public
- 4-Year Public
- 4-Year Private
Preliminary Key Findings Areas

1. Student loans

2. Credit cards

3. Financial behaviors and attitudes

4. Financial knowledge and education

5. Financial futures
Financial Education

Have you attended personal finance classes/workshops while in college/university?**

- **All Institutions**: 77.2%, 81.4%, 78.1%
- **2-Year Public**: 76.6%
- **4-Year Public**: 15.3%, 13.1%, 15.5%, 16.2%
- **4-Year Private**: 7.5%, 5.5%, 8.0%, 5.8%

**p<.001
Financial Education

Percentage Who Have Met with Professionals Regarding Finances During College

**p<.001
Preliminary Key Findings Areas

1. Student loans
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Financial Futures

Expected Starting Salary By Student Loan Debt**

- $80,000 or more: 8.7% ( Without Debt ), 6.4% ( With Debt )
- $60,000-$79,999: 19.7% ( Without Debt ), 17.3% ( With Debt )
- $40,000-$59,999: 33.1% ( Without Debt ), 35.7% ( With Debt )
- $30,000-$39,999: 22.5% ( Without Debt ), 25.7% ( With Debt )
- Up to $29,999: 16.0% ( Without Debt ), 15.0% ( With Debt )
Financial Optimism

(\% of students who agree or strongly agree)

<table>
<thead>
<tr>
<th>After graduation, I will be able to pay off any debt acquired while I was a student**</th>
<th>All Institutions</th>
<th>2-Year Public</th>
<th>4-Year Public</th>
<th>4-Year Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>78.1%</td>
<td>74.5%</td>
<td>78.8%</td>
<td>75.3%</td>
<td></td>
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<table>
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<tr>
<th>When I think about my financial situation, I am optimistic about the future</th>
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<tr>
<td>67.2%</td>
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</table>

| After graduation, I will be able to support myself financially** |
|----------------------------------------------------------------
| 77.8%                       | 82.5%           | 77.9%         | 73.0%         |

**p<.001
How to Support Student Financial Wellness
1) Assess your student body
2) Understand current initiatives
3) Develop a campus wide team
4) Plan interventions
Campus interventions:

- Develop financial capability
- Address financial stress
- Anticipate and offer just-in-time education
- Support students in financial crisis
Promising Practices
Focus on borrowing, default rates and student financial stress

- Large increase in financial wellness programs
- Goals and effectiveness are still unknown
- Ownership is difficult
- Operating often in silos
- Counseling/Deficit based approach

Promising Practices:

- Peer to Peer Education
- Future Focused Education
- Just in Time Education and Notification
Discussion –

Student Financial Concerns and

Campus Based Interventions
Next Steps

• National findings released on July 1!

  go.osu.edu/nsfws

• Continued research
The Future

2016-2017

Are you interested in your students’
- financial behaviors and knowledge?
- finance-related stress?
- experiences with credit cards, student loans and debt?
- and how these affect their academic success and expectations?

These are just a few topics that the National Student Financial Wellness Study (NSFWS) will cover through an online survey of undergraduates from up to 100 colleges and universities.

How and When?
The NSFWS launches Fall 2014. The deadline to register to participate is September 1, 2014.