

# Students in Debt: A Goldmine for Stress on Campus?

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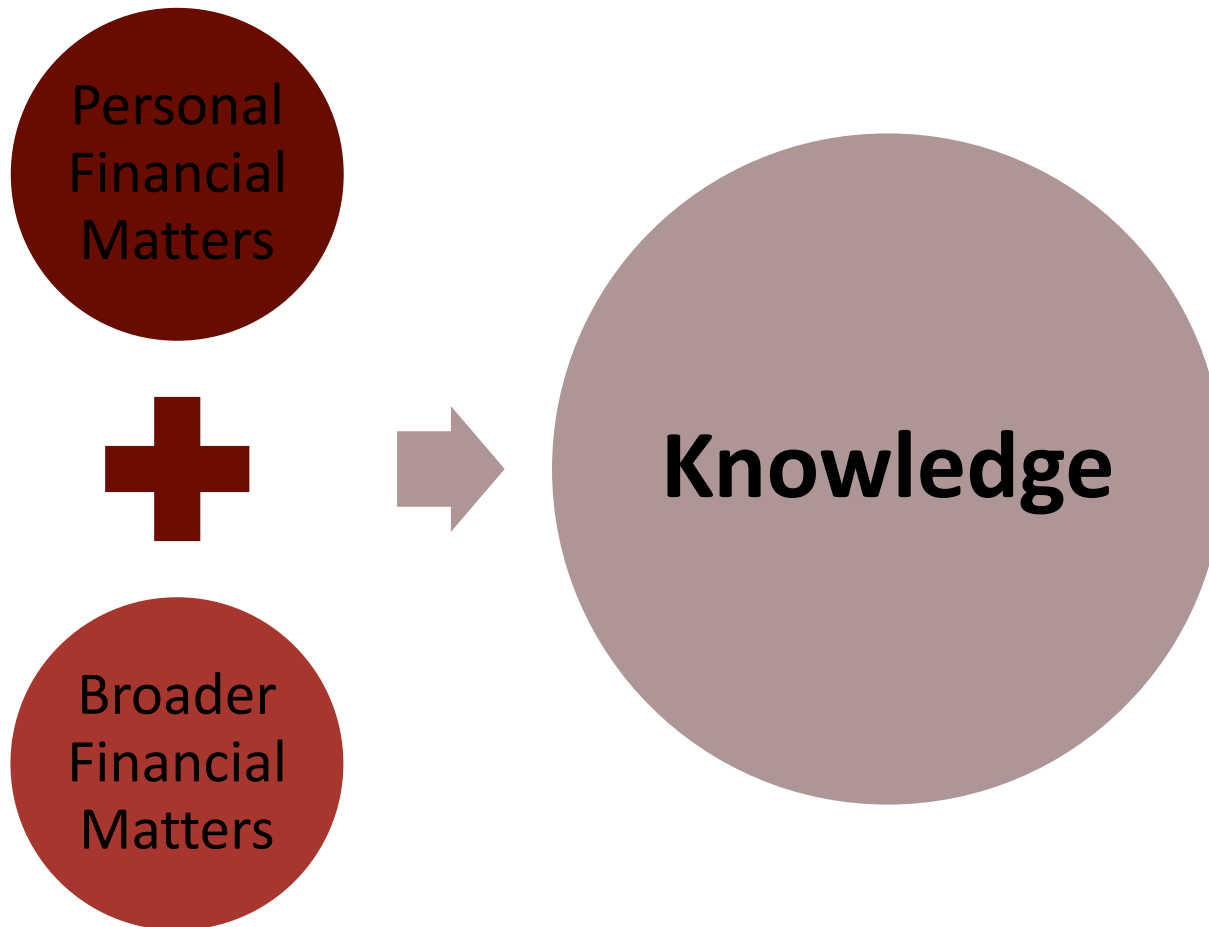
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# Today's presentation

- Financial literacy – what is it?
- Why does this matter?
- Context for the OSFW study
- Results
- Literature review
- Future research
- Discussion

# What is Financial Literacy?



# Skills/Abilities



# Confidence/Efficacy



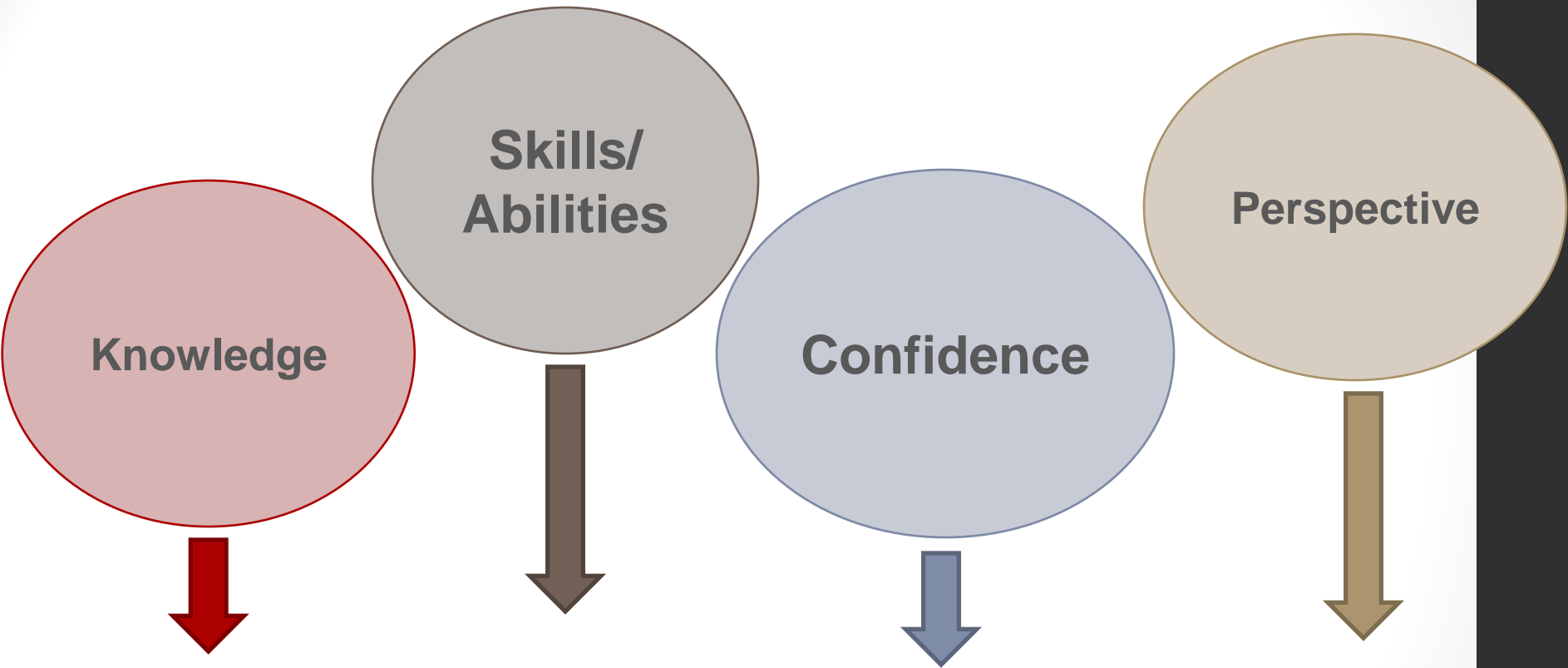
# Perspective



“When we define or perceive situations as real **they are real** in their consequences.”

W.I. Thomas





# Responsible Financial Decisions

# Why should we care?

**19% of full-time students at public four-year colleges and universities attend institutions that increased their published prices by 12% or more last year.**

College Board, 2010-2011

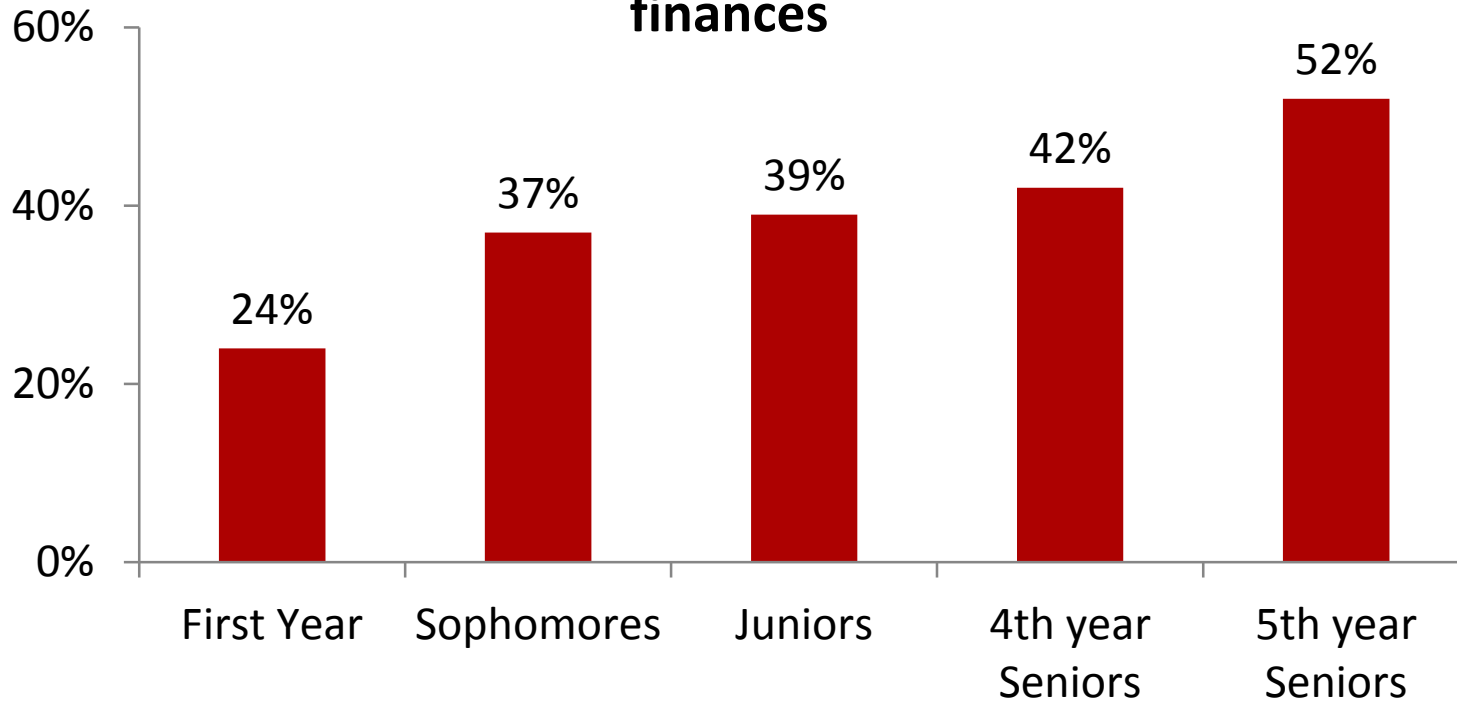
**The trial three-year cohort  
default rates for FY2008 was  
13.8 % compared to a two-  
year rate of 6.7 %.**

Department of Education

**National College  
Health Assessment (NCHA)  
consistently cites **finances as  
the second-leading cause  
of stress on campus.****

# A glimpse at NCHA Data:

**In the last year, it has been difficult to handle finances**





**95% of students named  
financial independence  
as important.**

APlus Study, Wave 2.0, 2011

# Limitations of surveys

- “Blunt instruments”
- Require follow-up study
- Tuning over time
- What about the “why”?



# History of this survey

- Student financial wellness surveys – 10 years of data
- Somewhat consistent measures
  - Debt
  - Stress
  - Micro-effects on students (i.e. academic)
- Relationships over time
  - Student loan debt and stress
  - Credit cards decreasing in use

# Who was in the 2010 study?

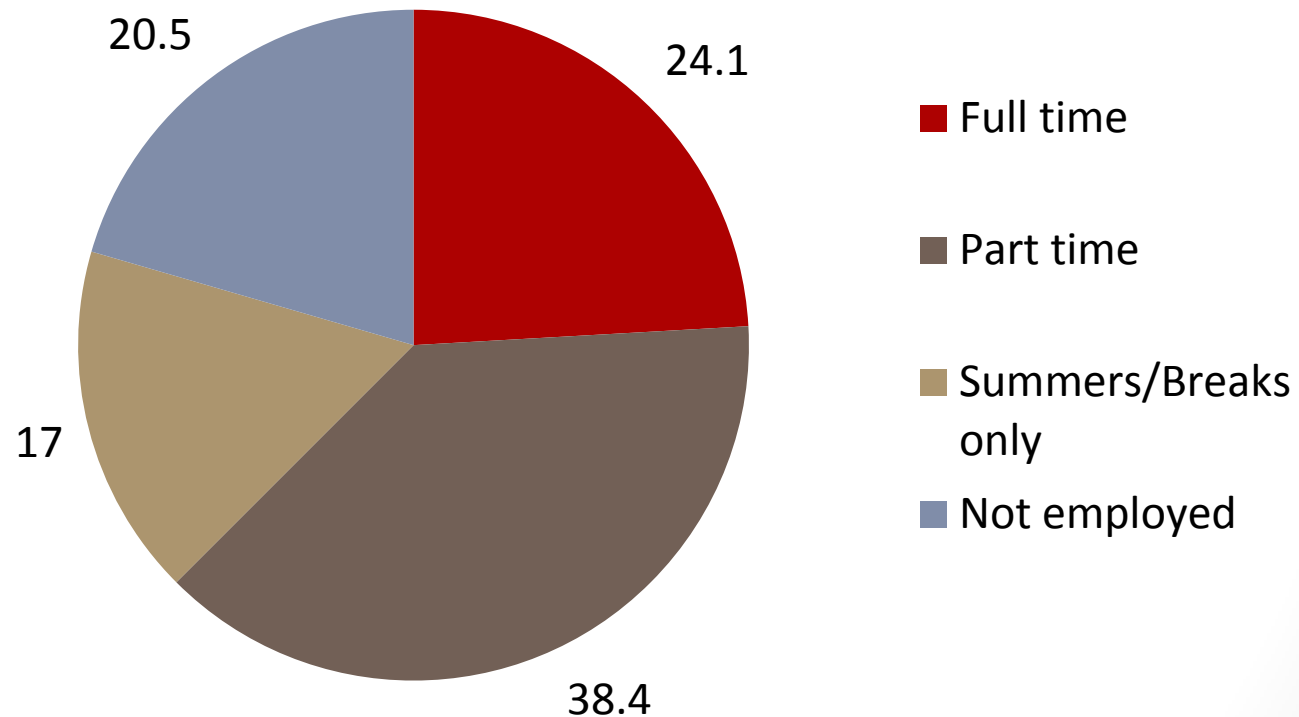
- All schools across Ohio were invited to participate
- Nineteen Ohio schools participated:
  - Five 2 year public schools – 1,390 students
  - Eight 4 year private schools – 2,298 students
  - Six 4 year public schools – 2,041 students

# Ohio Financial Wellness Survey: Demographics

- Females are over-represented
- Representative of class ranks
- 55% live off-campus (higher at 2 year public colleges)
- Most were ages 18-24 at 4 year colleges,
  - About 50% were over 24 at 2 year colleges

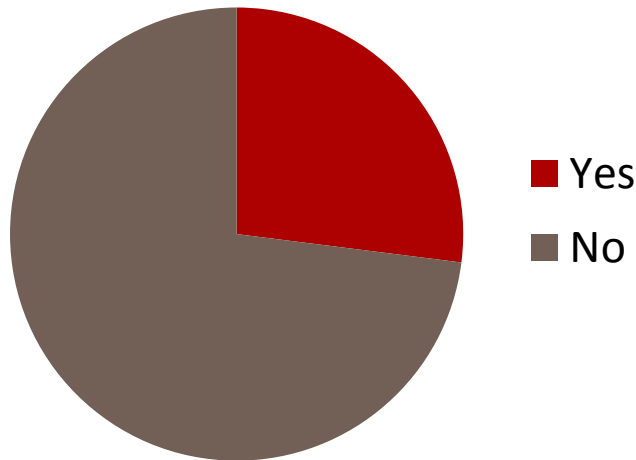
# Ohio Financial Wellness Survey: Context

## Employment Status

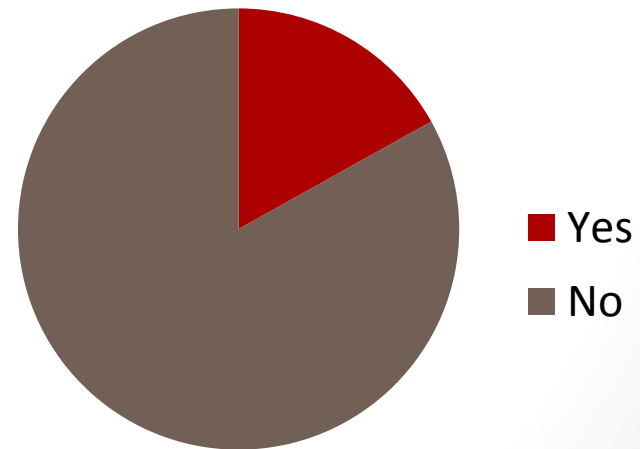


# Ohio Financial Wellness Survey: Context

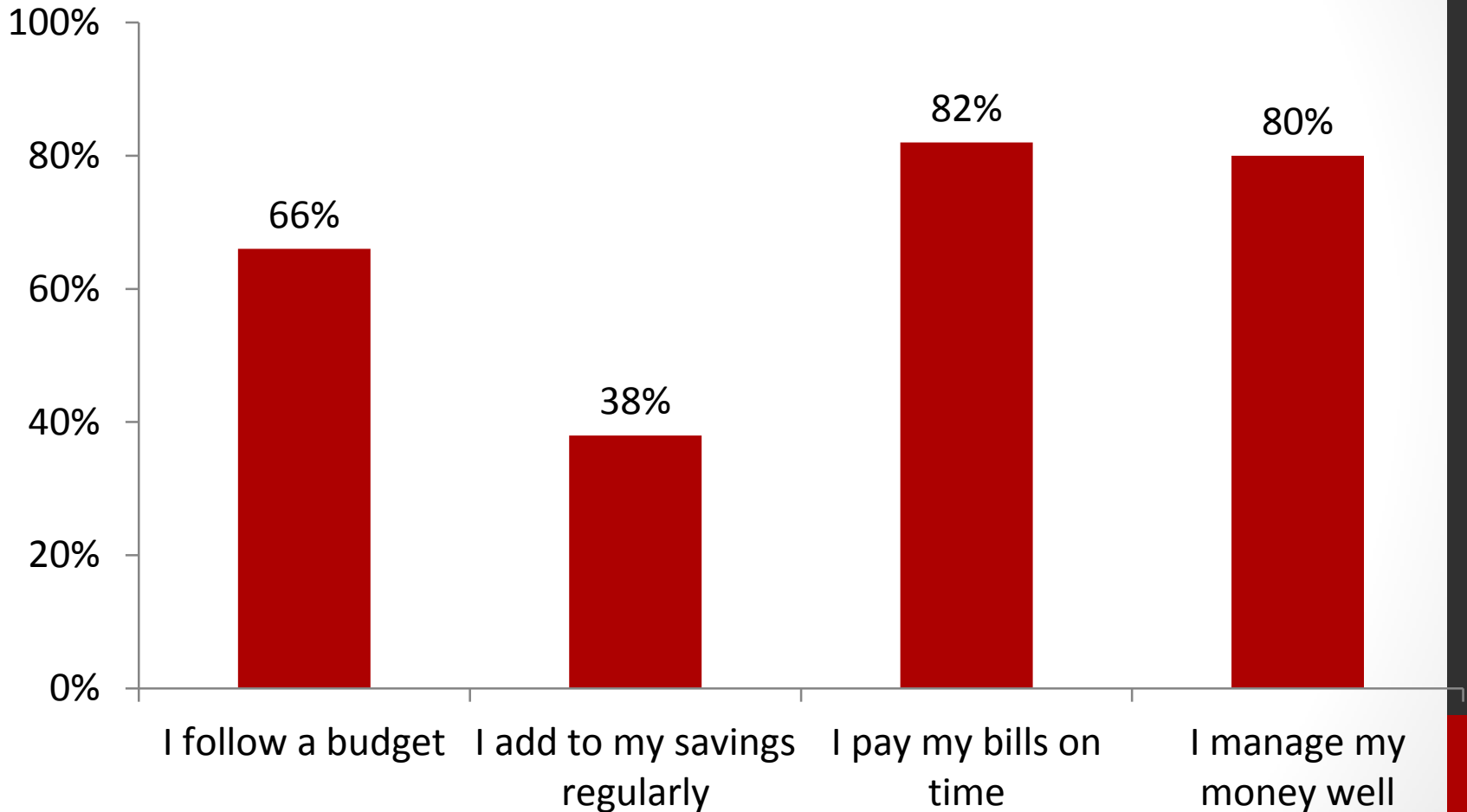
Are you financially responsible for someone else?



Have you taken a financial class in college?



# Ohio Financial Wellness Survey: Money Habits

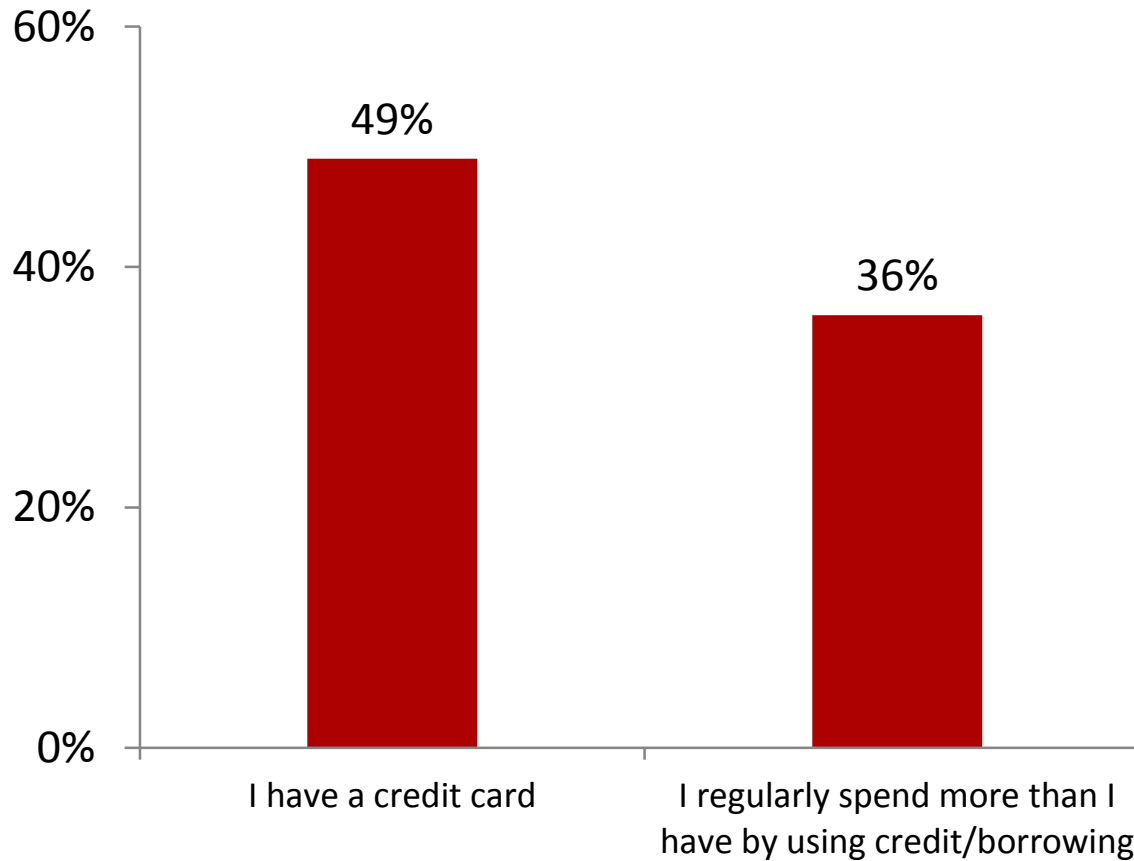


# Ohio Financial Wellness Survey:

Beliefs about financial future:	%
The cost of my tuition is a good investment for my financial future	79%
After graduation, I will be able to support myself	78%
After graduation, I will be able to pay off my debt accrued as a student (ALL students asked)	76%
In the next 5 years, the amount of debt I owe will be a problem for me (Medium, Large, or Extreme problem)*	67%
My debt will influence my decision to pursue a high-paying career (ALL students asked)	65%
I am optimistic about my future financial situation	64%

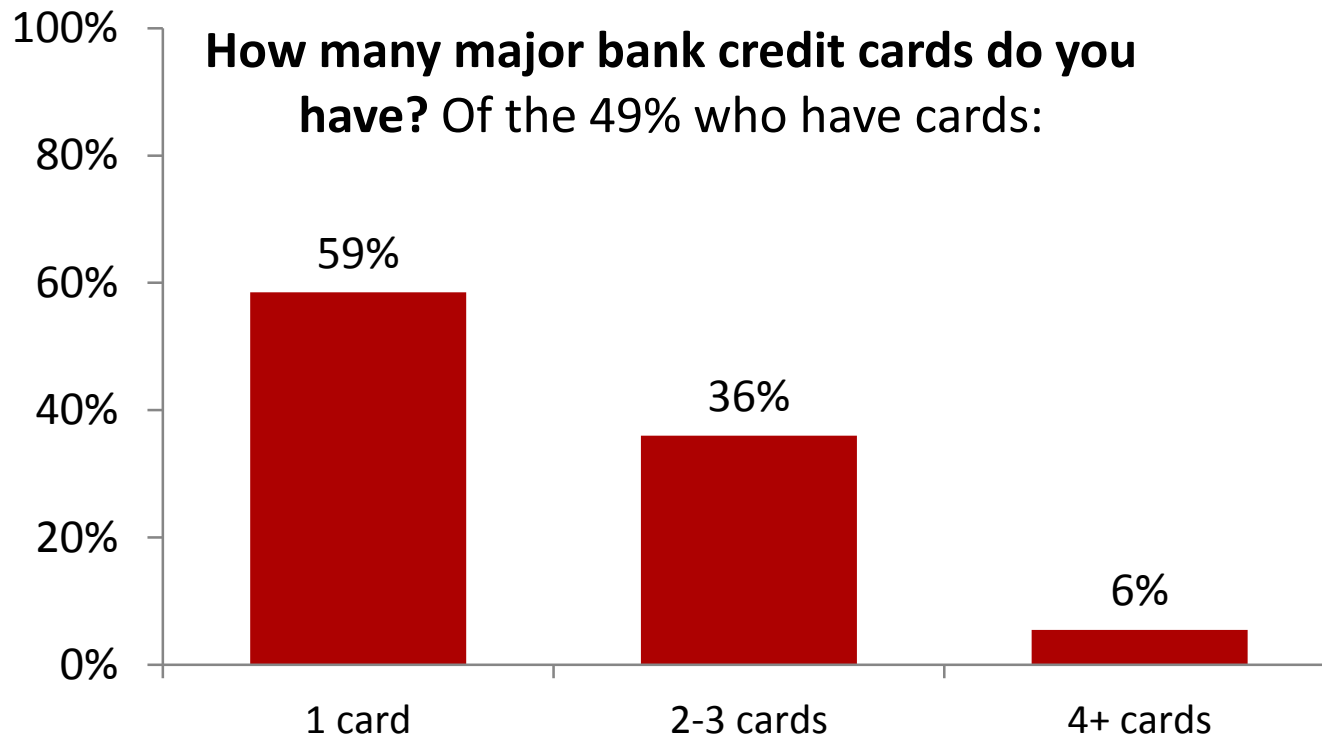
\*Includes only those with debt

# Ohio Financial Wellness Survey: Credit Cards



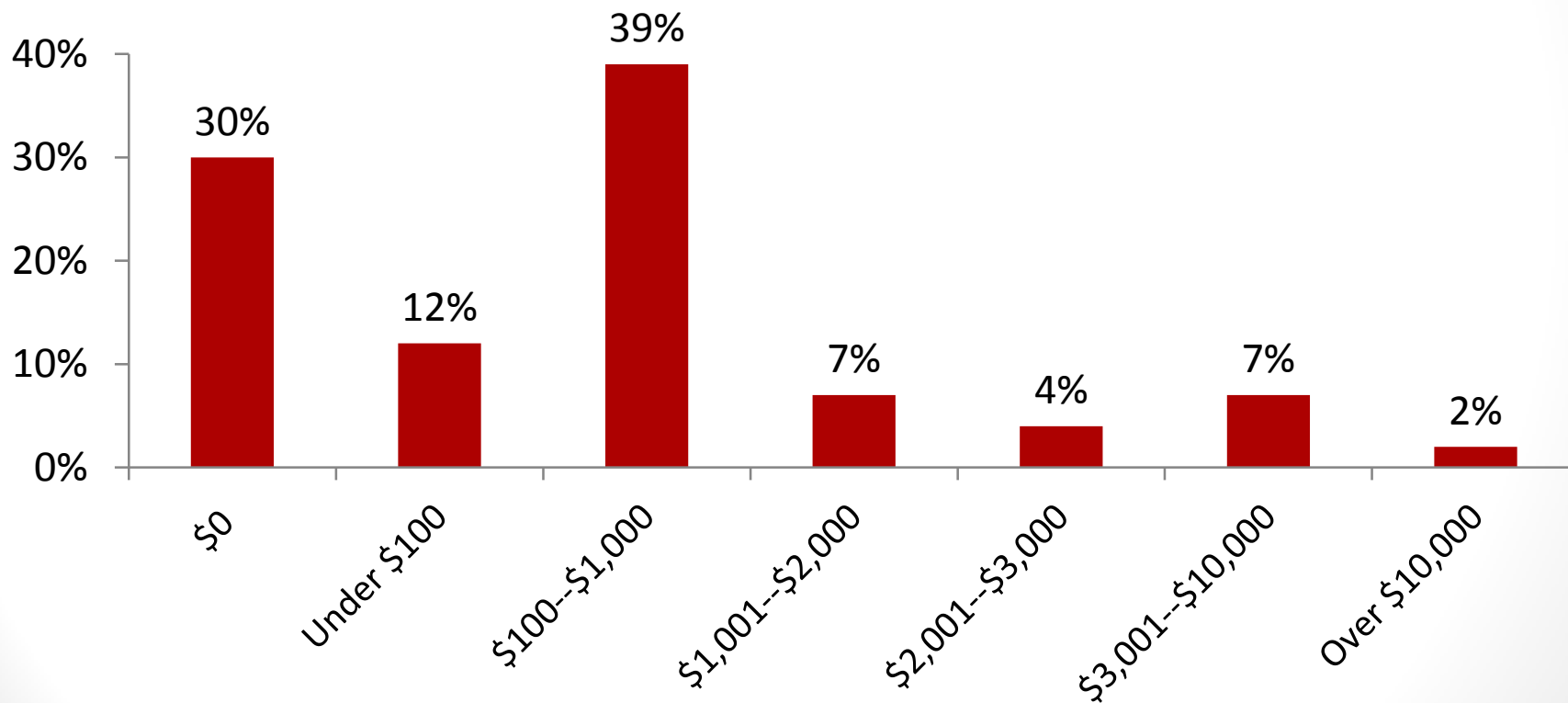


# Ohio Financial Wellness Survey: Credit Cards

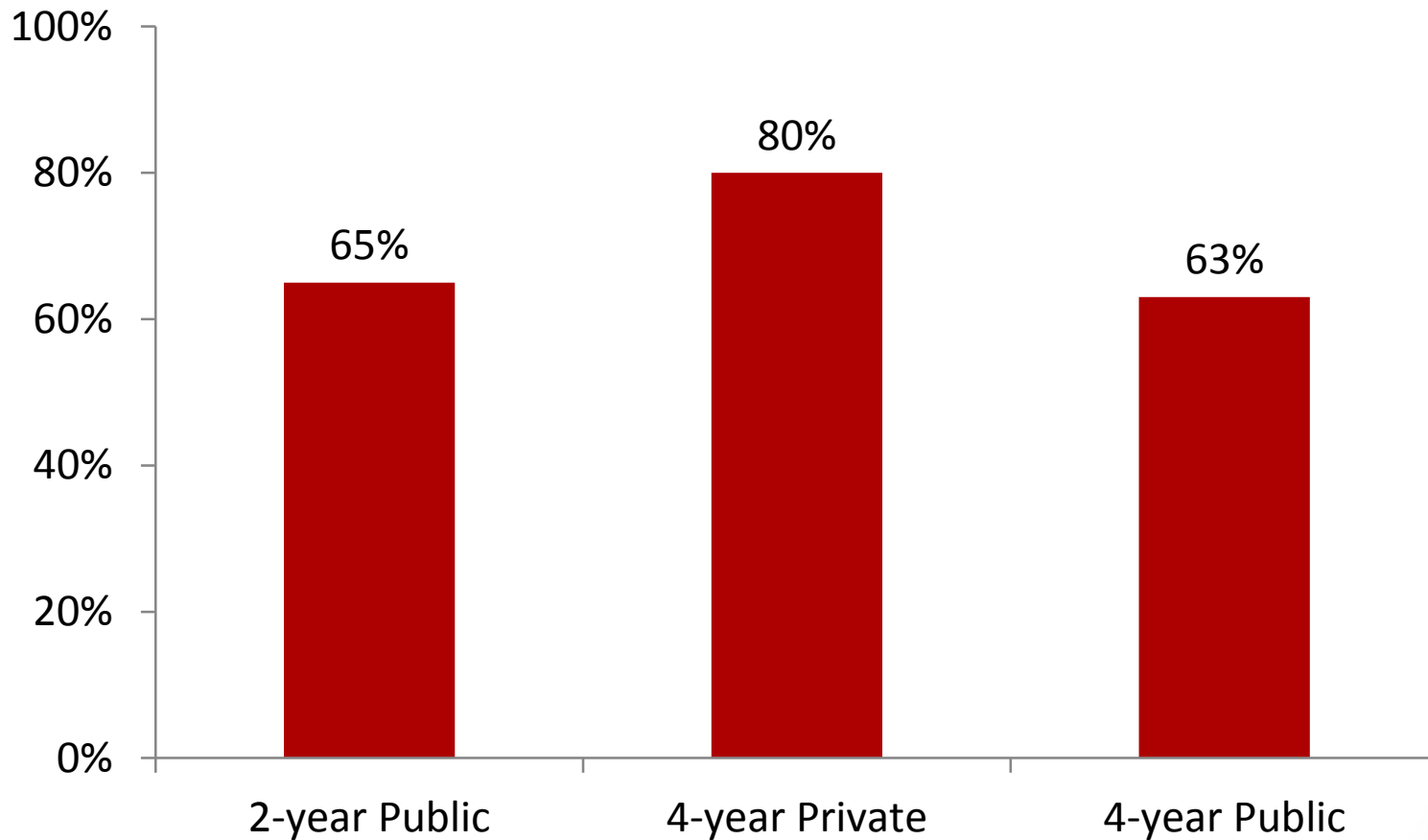


# Ohio Financial Wellness Survey: What is the average balance you carry on your credit card?

(Of those with a credit card)

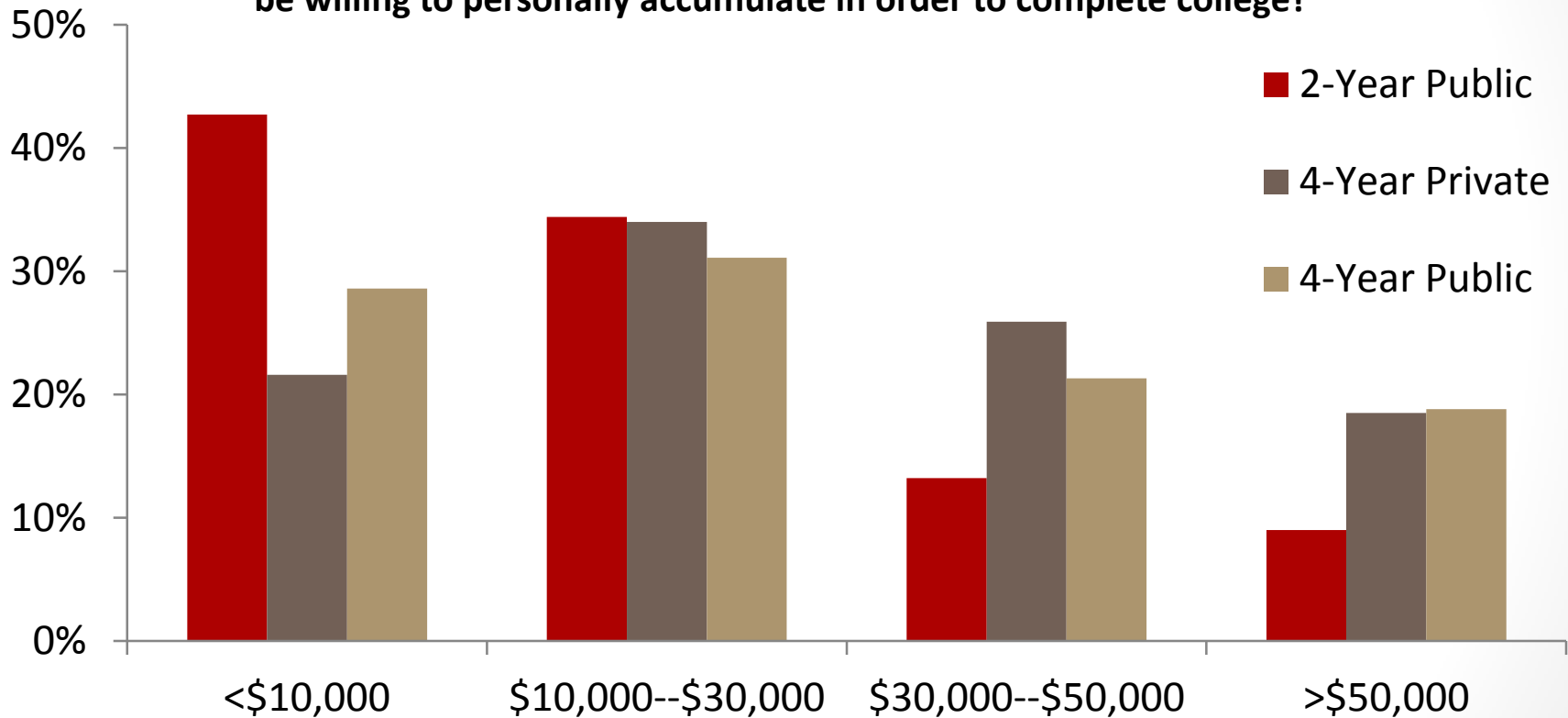


# Ohio Financial Wellness Survey: Who carries Student Loans?



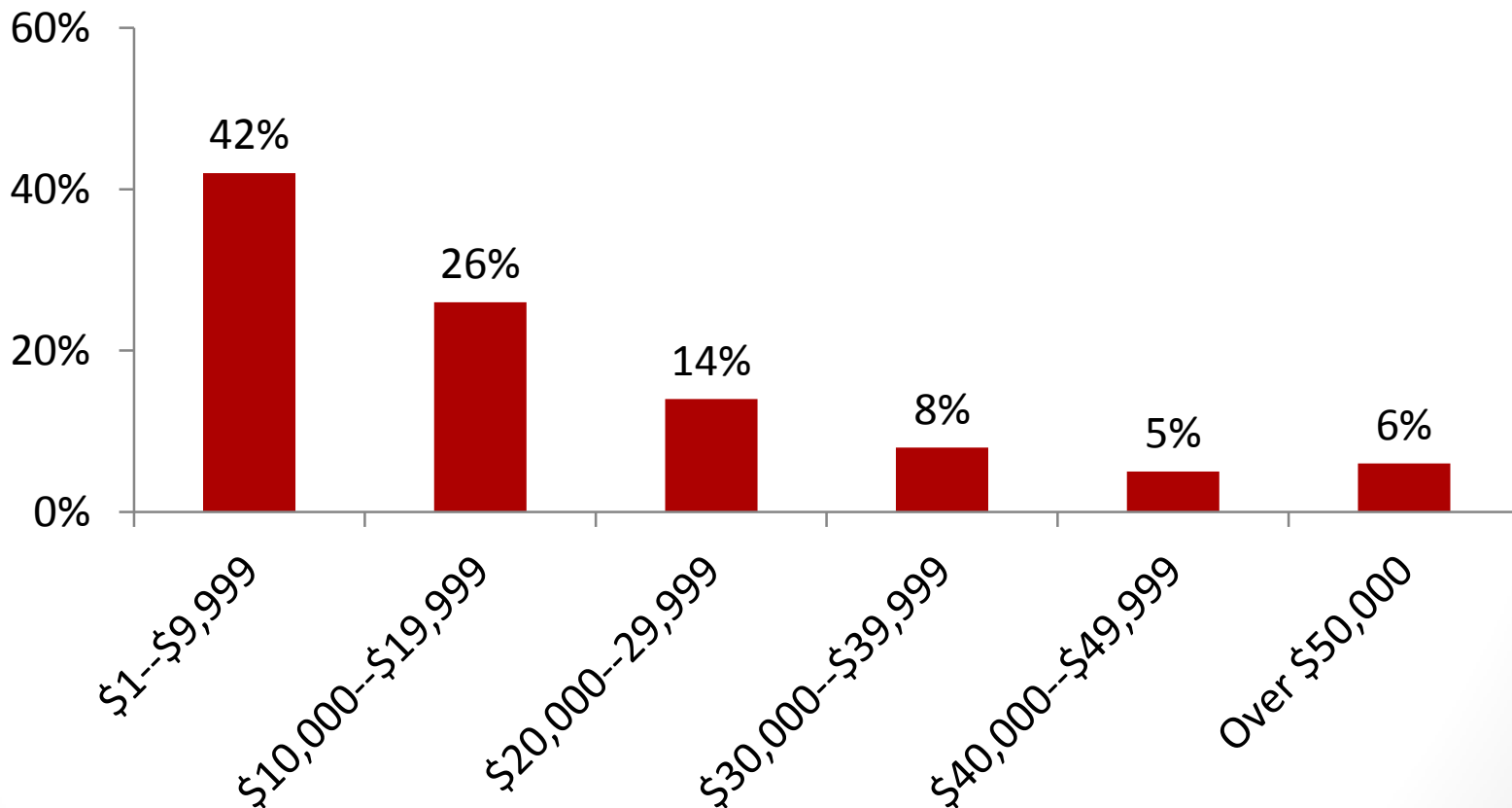
# Ohio Financial Wellness Survey: Student Loans

Assuming you had to pay for college on your own, how much debt would you be willing to personally accumulate in order to complete college?

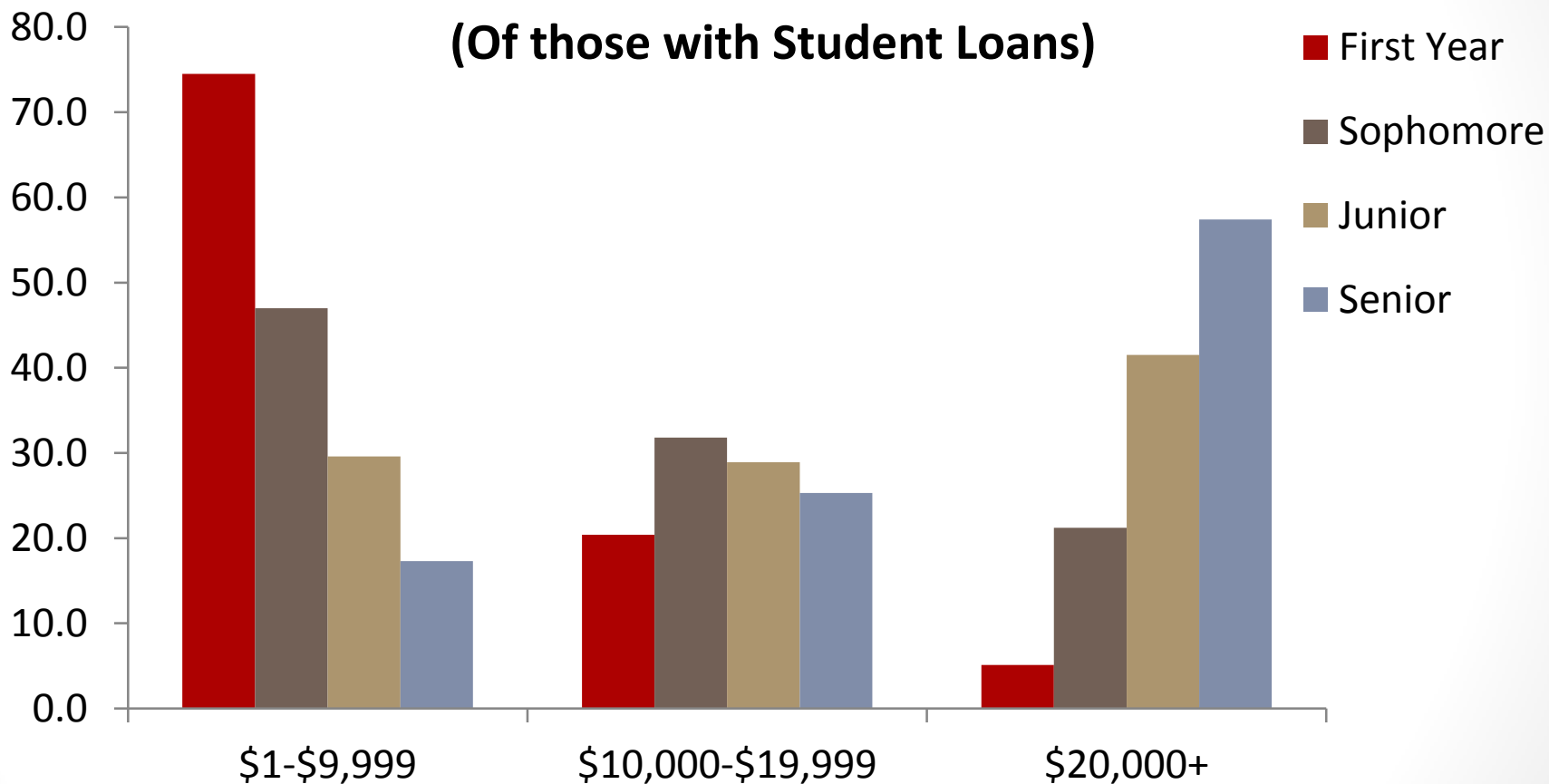


# Ohio Financial Wellness Survey: Student Loans

(Of those with Student Loans)



# Ohio Financial Wellness Survey: Student Loans by Class Rank

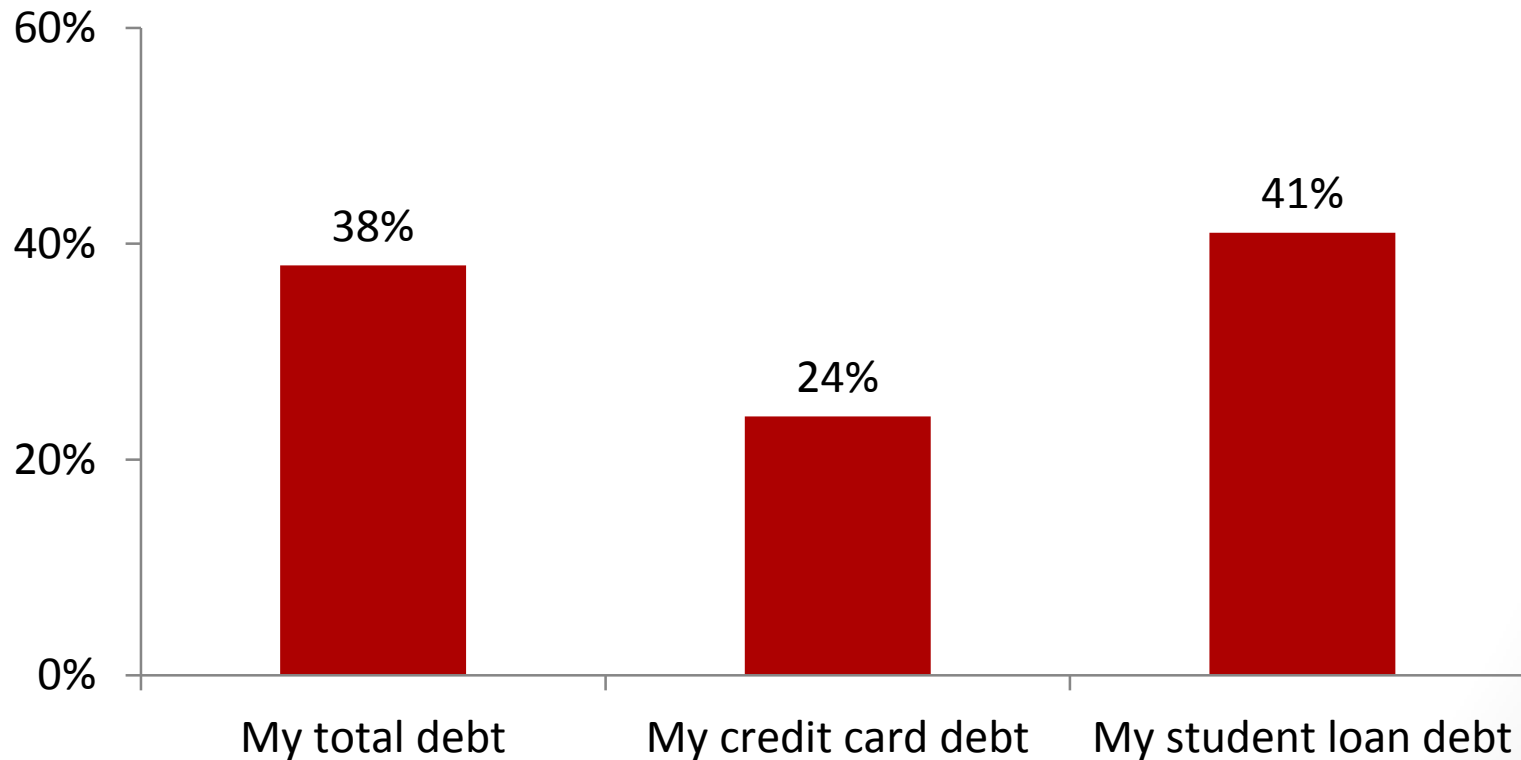


# Ohio Financial Wellness Survey:

<b>Stress about debt:</b>	<b>%</b>
I feel stressed about my personal finances, in general	72%
I worry about having enough money to pay for school	60%
I worry about being able to pay monthly expenses	55%
Financial concerns have caused me to take fewer classes so I can work more	26%

# Ohio Financial Wellness Survey

**Of those with debt: I have a Large or Extreme amount of stress about...**





# Relationships between debt and stress:

The TOTAL amount of money I owe causes me stress	2-Year Public	4-Year Private	4-Year Public
Thinking ahead over the next five years, the amount of money I owe will be a problem for me	.591	.607	.638
The amount of money I owe has caused me to consider dropping out of college	.408	.452	.398
I feel stressed about my personal finances in general	.622	.658	.577
I worry about being able to pay monthly expenses	.604	.589	.550
I worry about having enough money to pay for school	.397	.524	.430
Credit card debt causes me stress	.493	.537	.585
Student loan debt causes me stress	.621	.736	.693

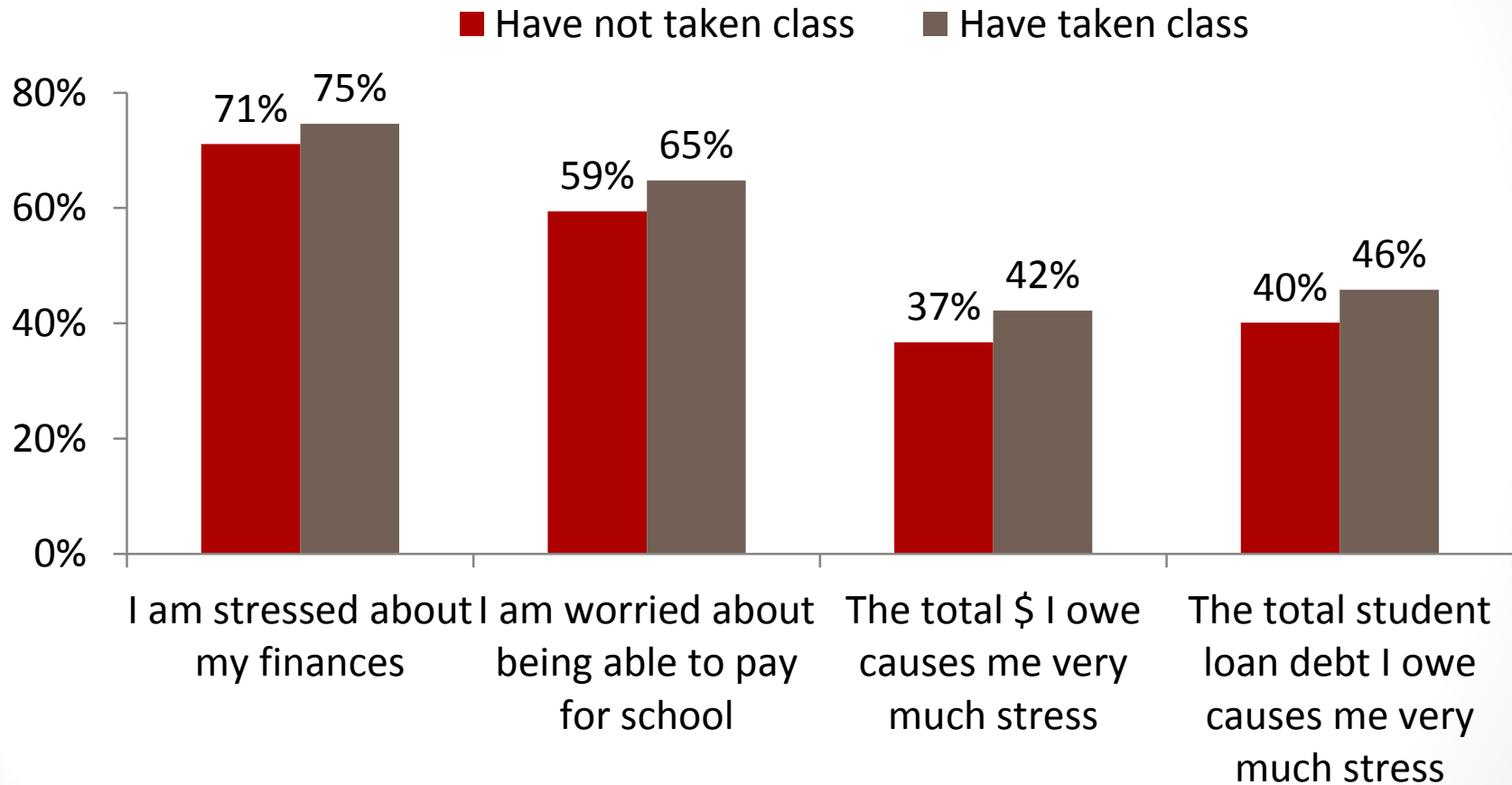
# Ohio Financial Wellness Survey: Educational Outcomes

<b>The amount of money I owe* has caused me to Sometimes, Frequently, or Always...</b>	<b>%</b>
Consider dropping out of college	36%
Neglect my academic work	32%
Reduce my class load	31%

\*Includes only those with debt

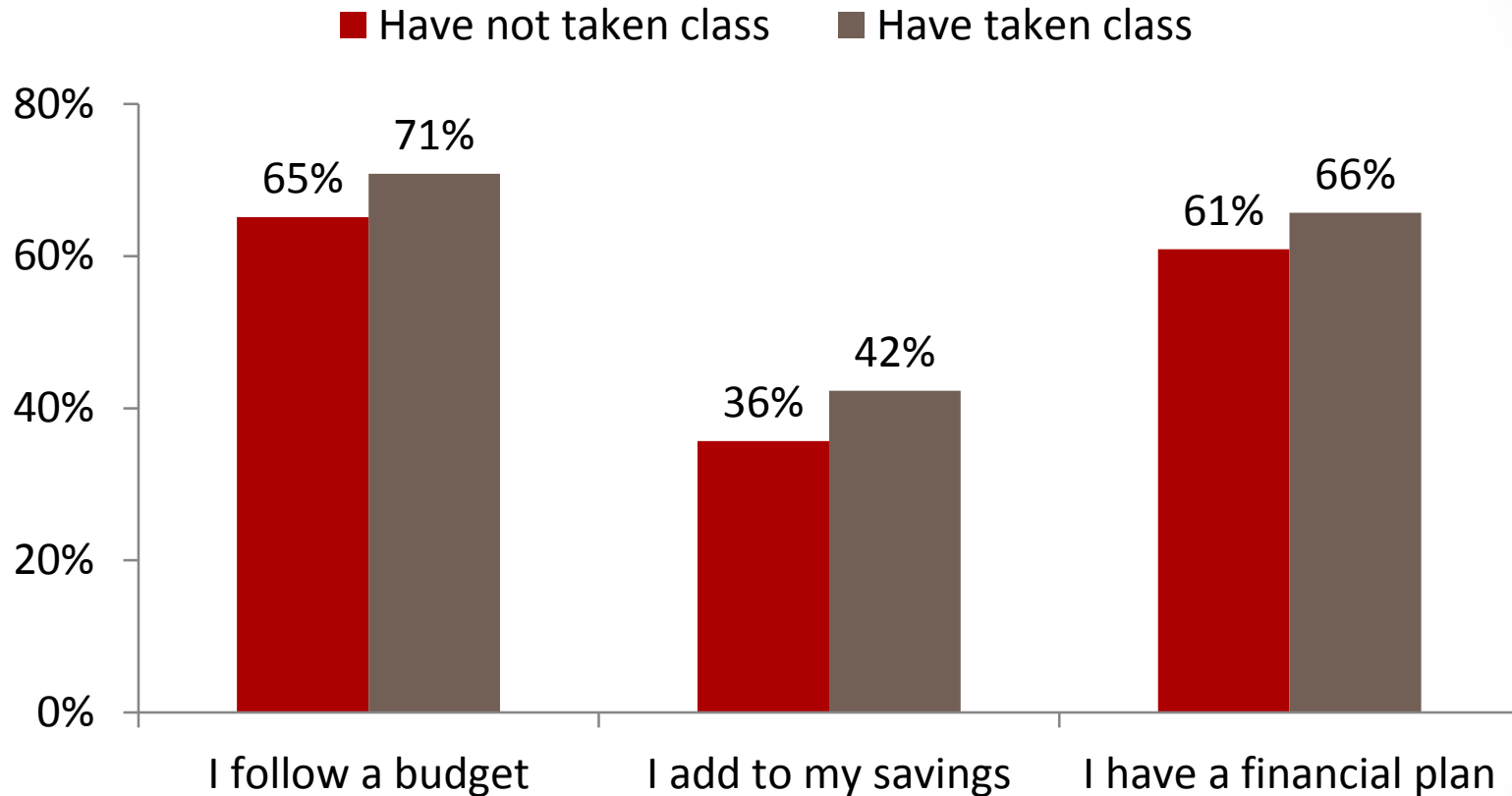
# Ohio Financial Wellness Survey

- 17% of respondents have taken a personal finance class in college



# Ohio Financial Wellness Survey

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# Literature

- A selection:
- Financial struggles source of stress for college students
  - Sarros & Densten, 1989; Dusselier, Dunn, Wang, Shelley & Whalen, 2005; Ross, Neibling, & Heckett, 1999; Draut & Silva, 2004; and Cronce & Corbin, 2010
- Associations with health status
  - Northern, O'Brien, & Goetz, 2010 ; Skinner, Zautra, & Reich, 2004
- “Stopping out” on the rise
  - Cronce & Corbin, 2010, US Department of Education, Baccalaureate and Beyond Longitudinal Study
- Underperforming on exams
  - Ross, Cleland, & Macleod, 2006

# Future research/what we learned

- Perspective of debt salience
- Limited to Ohio
- Add institutional data
- Instrument expansion
- Operationalization of variables

# Discussion Questions

- What is working for those of you who serve students on this topic?
- Any examples of innovative programs?
- Who was not here but should have been, and why?

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## For full report:

<http://cssl.osu.edu/research/reports/>





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2013 NASPA Annual Conference  
March 16–20, 2013  
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