Student Financial Help-Seeking Behavior: From Theory to Practice

2014 Student Affairs Assessment & Research Conference
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The Ohio State University
Introduction

- Financial Stress
  - Rising cost of education and living expenses

- Outcomes related to financial stress among college students
  - Academic failure
    - Reducing course load & dropout (Joo, Durband, & Grable, 2008)
    - Lower GPA & less hours earned (Wharton, 2007)
  - Adverse health
    - Obesity, insufficient physical activity, unhealthy diets, alcohol and drug use (Nelson et al., 2008)
    - Suicide (Westefeld et al., 2005)

- Research gap: factors affecting help-seeking
Literature Review

• Help-seeking behavior in personal finance
  • Help-seeking is one coping strategies related to financial problems
  • Grable & Joo’s personal finance help-seeking framework (1999)
    (1) the exhibition of financial behaviors
    (2) the evaluation of own financial behaviors
    (3) the identification of the causes of financial behaviors
    (4) the decision to seek help
    (5) the choice among help assistance options
  • Factors affecting the decision to seek help (Britt et al., 2011; Grable & Joo, 1999; Grable & Joo, 2001; Joo & Grable, 2001)
    : Demographic & socioeconomic characteristics, Financial stressors, Financial knowledge, Financial attitudes
Literature Review

• Self-efficacy in cognitive theory of stress and coping
  • Definition
    : A feeling of being able to deal effectively with a situation (Bandura, 1977)
  • Role
    : Self-efficacy operates as a cognitive mediator/moderator of stress and stress-related adaptational outcomes (Bandura, 1982; Folkman, 1984; Folkman & Lazarus, 1979)
  • Effect
    : High levels of self-efficacy produce benefits to individual well-being through its influence on individuals’ behavior as well as attitudes (Bandura, 1986)
Conceptual Framework

- Demographic characteristics
- Financial education
- Financial stress
- Financial self-efficacy

Help-seeking in personal finance
Hypothesis

• H1: There is a positive relationship between financial stress and help-seeking behavior.
Hypothesis

- H2: There is positive relationship between self-efficacy and help-seeking behavior.
Hypothesis

- H3: The relationship between financial stress and help-seeking behavior is moderated by self-efficacy.
Data and sample

• Data
  • 2010 Ohio Student Wellness Survey
  • Surveys completed by undergraduate students across all ranks at 19 colleges and universities in Ohio
    • Two-year public (5)
    • Four-year private (8)
    • Four-year public (6)

• Sample
  • Total sample: N=5,729
  • Complete cases analyzed for this study: N=4,713
Dependent Variable

- Help-Seeking

<table>
<thead>
<tr>
<th>Concerning my finances, I have met with</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial counselor or advisor</td>
<td>873</td>
<td>18.5%</td>
</tr>
<tr>
<td>Financial aid counselor</td>
<td>1,280</td>
<td>27.2%</td>
</tr>
<tr>
<td>Credit counselor</td>
<td>229</td>
<td>4.9%</td>
</tr>
<tr>
<td><strong>At least one</strong></td>
<td><strong>1,860</strong></td>
<td><strong>39.5%</strong></td>
</tr>
</tbody>
</table>
Independent Variables

• Demographic characteristics
  • gender, race/ethnicity, class rank, institution type

• Financial education
  • whether they have attended personal finance classes or workshops while in high school or college

• Financial stress
  • factor score extracted from six items about stress from personal finances in general, paying monthly expenses, paying for school, total amount of debt, credit card debt, student loan debt

• Self-efficacy
  • whether they can manage their money well
## Financial Stress

<table>
<thead>
<tr>
<th>Question</th>
<th>Full sample</th>
<th>Help-seeker</th>
<th>Non help-seeker</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel stressed about my personal finances in general (1-4)</td>
<td>2.98</td>
<td>3.09</td>
<td>2.90</td>
</tr>
<tr>
<td>I worry about being able to pay monthly expenses (1-4)</td>
<td>2.68</td>
<td>2.84</td>
<td>2.58</td>
</tr>
<tr>
<td>I worry about having enough money to pay for school (1-4)</td>
<td>2.76</td>
<td>2.94</td>
<td>2.64</td>
</tr>
<tr>
<td>How much stress does the total amount of money you owe cause you? (1-6)</td>
<td>3.62</td>
<td>3.95</td>
<td>3.41</td>
</tr>
<tr>
<td>How much stress does credit card debt cause you? (1-6)</td>
<td>2.32</td>
<td>2.47</td>
<td>2.23</td>
</tr>
<tr>
<td>How much stress does student loan debt cause you? (1-6)</td>
<td>3.41</td>
<td>3.85</td>
<td>3.13</td>
</tr>
<tr>
<td><strong>Financial stress factor score [-2.81,+1.93]</strong></td>
<td>0.00</td>
<td>+0.22</td>
<td>-0.14</td>
</tr>
</tbody>
</table>
Self-efficacy

• I can manage my money well

<table>
<thead>
<tr>
<th></th>
<th>Column Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full sample</td>
</tr>
<tr>
<td></td>
<td>N=4,713</td>
</tr>
<tr>
<td>Strongly agree or agree</td>
<td></td>
</tr>
<tr>
<td>• High self-efficacy</td>
<td>80.0%</td>
</tr>
<tr>
<td>Strongly disagree or disagree</td>
<td></td>
</tr>
<tr>
<td>• Low self-efficacy</td>
<td>20.0%</td>
</tr>
</tbody>
</table>
Methodology

• Data analysis
  • Logistic regressions
    • Model1
      : Demographic characteristics
    • Model2
      : + Financial education + Financial stress + Self efficacy
    • Model3
      : + Interaction term between Financial stress & Self efficacy
  • SPSS statistical software
## Multivariate Results

<table>
<thead>
<tr>
<th>Model 1 Demographic variables only</th>
<th>Effect</th>
<th>Odds Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender (Reference category: Female)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>-</td>
<td>0.845</td>
</tr>
<tr>
<td>Race (Reference category: White)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>+</td>
<td>1.815</td>
</tr>
<tr>
<td>Rank (Reference category: Freshman)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sophomore</td>
<td>-</td>
<td>0.824</td>
</tr>
<tr>
<td>Junior</td>
<td>-</td>
<td>0.817</td>
</tr>
<tr>
<td>Senior</td>
<td>-</td>
<td>0.694</td>
</tr>
<tr>
<td>Other rank</td>
<td>-</td>
<td>0.650</td>
</tr>
<tr>
<td>Institution Type (Reference category: 4-year public)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-year private</td>
<td>+</td>
<td>2.054</td>
</tr>
<tr>
<td>2-year public</td>
<td>+</td>
<td>1.907</td>
</tr>
</tbody>
</table>
# Multivariate Results

## Model 2

<table>
<thead>
<tr>
<th>Variable</th>
<th>Effect</th>
<th>Odds Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic variables – consistent with Model 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial education in high school</td>
<td>+</td>
<td>1.602</td>
</tr>
<tr>
<td>Financial education in college</td>
<td>+</td>
<td>2.348</td>
</tr>
<tr>
<td>Amount currently owed in student loans ($1,000)</td>
<td>+</td>
<td>1.008</td>
</tr>
<tr>
<td>Financial stress</td>
<td>+</td>
<td>1.381</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>+</td>
<td>1.304</td>
</tr>
</tbody>
</table>

## Model 3

<table>
<thead>
<tr>
<th>Variable</th>
<th>Effect</th>
<th>Odds Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial stress</td>
<td>+</td>
<td>1.213</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>+</td>
<td>1.265</td>
</tr>
<tr>
<td>Financial stress * Financial self-efficacy (p&lt;0.1)</td>
<td>+</td>
<td>1.171</td>
</tr>
</tbody>
</table>
Probability of Seeking Help

- High self-efficacy
- Low self-efficacy

Low financial stress  Average financial stress  High financial stress
Conclusions & Implications

• Conclusions
  • H1: There is a positive relationship between financial stress and help-seeking behavior. Supported!
  • H2: There is positive relationship between self-efficacy and help-seeking behavior. Supported!
  • H3: The relationship between financial stress and help-seeking behavior is moderated by self-efficacy. Supported but weak!

• Implications
  • Recognition of the profiles of potential help-seekers
  • Importance of financial education especially in college
  • Motivating students to build financial self-efficacy
“Wellness is an active, ongoing process which involves becoming aware of and taking steps toward a healthier, happier, successful life.”

The Ohio State University
Student Wellness Center
Wellness is INTERCONNECTED
“Almost everything we do in student life can be tied either directly or indirectly to wellness.”

Dr. J

• Vice President for Student Life
2001
Credit card task force
MNBA funds educational efforts

2003
Financial wellness incorporated into Student Wellness strategic planning

2006
Scarlet & Gray Financial founded
SWC & EHE

2012
Huntington National Bank partnership
Growth of SGF
A study examined three types of financial literacy interventions:

- Online, Workshops and 1:1 Counseling
- Interest was shown in all three
- Recommended that all three be incorporated for an encompassing financial literacy program.

*Goetz, Cude, Nielsen, Chatterjee, and Mimura (2011)*
Offering free and confidential peer-to-peer financial coaching to undergraduate, graduate, and professional students at Ohio State.
Scarlet & Gray Financial Peer Coaches
Program Growth

‘12-’13:
• 225 total 1:1 appointments
• 90 group presentations

‘13-’14 so far…
• 900+ 1:1 clients
  • On track for 1500+ for the year
• 99 presentations to over 3,000 students this year
Coaching Philosophy

STIMULI

Technical
Psychological

Interpersonal
Economic

BEHAVIOR

GOALS

Feedback
Three Separate Paths

• Help Seeking (In Line with Research Presented Previously)
  • Students present voluntary from numerous areas and for numerous reasons

• STEP Mandated Students
  • These students are mandated to attend as part of the Second Year Transformational Experience

• Other Mandated Students
  • These come from various programs including Emergency Loan, Grant and Other Bridge Programs
Specific Programs:

• Targeted interventions with high risk students
• Presentations
  • Understanding Budgets, Goal-Setting etc
• Sessions on Understanding Student Loans
• Financial Plan Setting (College Financing)
• VITA Clinic (Pilot)
• 1:1 Coaching
Building Financial Capability

- Behavior
- Attitudes
- Knowledge
Feedback:

1:1 appointments:

“The session was very helpful, the coach was very kind and professional. It is not easy to discuss personal finances, so being comfortable to open up was the most vital aspect of the meeting for me.”

“Through my session, I created a realistic plan to tackle debt and increase savings. The following information was helpful:

- The use of the detailed excel budgeting worksheet
- The idea of breaking down my budget month by month
- Information about raising my credit score
- Information about long-term savings goals”

Average 1:1 client satisfaction: 4.7/5
Feedback:

Group presentations

“At the Budgeting Workshop I learned a lot about how to manage my money in college. This was helpful to me because I have been struggling trying to save my money and this session taught me that the purpose is not to save my money but to budget my money so that I am able to do what I need/want to do.”

“I learned from this session all about how important it is to track your spending, monitor your accounts, and build a good credit score in order to accomplish your financial goals. I also learned about the Scarlet and Gray Financial Center located in the RPAC and all of the consultation services it offers. Also, I am now aware of various online tools that can aid with budgeting in the upcoming years.”
Financial Wellness Advisory Board

• Recommendations from acceptance to repayment
• Partners include:
  • Financial Aid
  • Academic Affairs
  • First Year Experience
  • Graduate/Professional Schools
  • Student Legal Services
  • Office of Research
  • Office of International Affairs
  • Office of Veterans Affairs
  • Student Service Center
STEP Mandate

• STEP = Second Year Transformational Experience Program

• 1,000 second year students accepted into program to live on campus are required to complete financial education

• Financial education mandate includes completing an online financial literacy module and meeting one on one with a peer coach
- Please answer the following using the scale below (Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree and Strongly Agree):

<table>
<thead>
<tr>
<th>Answer</th>
<th>Pre</th>
<th>Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am confident that I can engage in financial budgeting.</td>
<td>4.2</td>
<td>4.23</td>
</tr>
<tr>
<td>I stress about my finances.</td>
<td>2.92</td>
<td>3.13</td>
</tr>
<tr>
<td>I am concerned about my financial future.</td>
<td>3.55</td>
<td>3.38</td>
</tr>
<tr>
<td>I practice financial budgeting.</td>
<td>2.95</td>
<td>3.44</td>
</tr>
<tr>
<td>I am able to pay my bills on time.</td>
<td>4.22</td>
<td>4.05</td>
</tr>
<tr>
<td>I am free of credit card debt.</td>
<td>4.69</td>
<td>4.45</td>
</tr>
<tr>
<td>I feel stressed by the amount of money I owe (credit cards, student loans, car payments, etc.).</td>
<td>2.08</td>
<td>2.42</td>
</tr>
</tbody>
</table>
Summary and Implications

Potential:
- Increase Knowledge/Awareness Gain
- Increase in Efficacy (Substantial)
- Small Behavior Change
  - Except for goal setting
- Positive Attitude Change

Implications:
- Increased Efficacy and Stress may lead to additional help seeking behaviors
- Those attending would not otherwise attend financial coaching
- May lead to longer relationships

Learning Outcomes for a Mandate:
- Increase Self Efficacy, Awareness of Resources and Goal Setting Behaviors
- Hope to Increase Help Seeking Behavior for Just in Time Education
Thank you

Questions?