



# Financial Wellness of First-Generation and Continuing- Generation Students

Study on Collegiate  
Financial Wellness

Center for the Study of Student Life

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THE OHIO STATE UNIVERSITY

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## About the Study on Collegiate Financial Wellness

The purpose of the Study on Collegiate Financial Wellness (SCFW), previously known as the National Student Financial Wellness Study, is to gain a more thorough and accurate picture of the financial wellness of undergraduate students. Previous multi-institutional administrations occurred in 2014, 2017, and 2020. The present report addresses the most recent Ohio State only administration of the SCFW in March 2023 and briefly summarizes findings in key areas of financial wellness among first-generation and continuing-generation college students.

### Financial Management Behaviors

Figure 1 shows the percentage of students who indicated being ‘somewhat likely’ or ‘very likely’ to come up with \$400 cash in the event of a financial emergency during the school year. Results suggest that first-generation students are significantly less likely to have \$400 in case of an emergency compared to continuing-generation students.

**Figure 1. Percentage of Students who are ‘Somewhat Likely’ or ‘Very Likely’ to come up with \$400 for an Emergency by Generational Status**

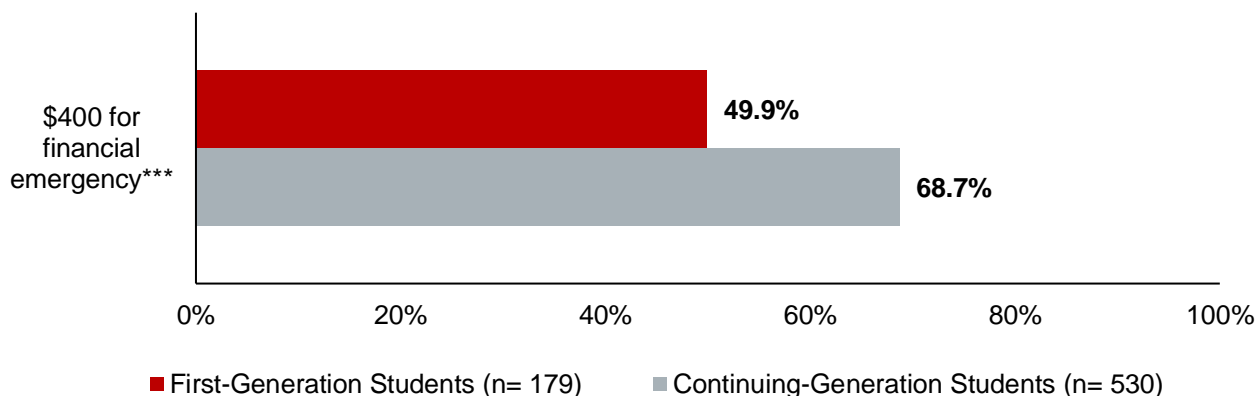


Table 1 on the following page shows the percentage of students who indicated that they ‘sometimes’ or ‘frequently’ engage with a negative financial management behavior during the past 12 months. As shown in Table 1, continuing-generation students are more likely to have made impulse purchases in the past 12 months compared to first-generation students. However, first-generation students were more likely to have overdrawn from their bank account, purchased things they could not afford and made late payments on bills or educational expenses when compared to continuing-generation students.

**Table 1. Students who indicated they ‘Sometimes’ or ‘Frequently’ did the following during the past 12 months:**

	First-Generation Students ( <i>n</i> = 357)	Continuing-Generation Students ( <i>n</i> = 767)	Statistical Significance
I made impulse purchases.	48.5%	57.6%	*
I tracked my spending.	82.9%	83.7%	-
I planned ahead for major purchases.	88.0%	85.1%	-
I monitored my account balances.	95.8%	95.6%	-
I overdrew my bank account.	12.3%	7.8%	**
I purchased things I could not afford.	11.5%	8.2%	*
I made late payments on bills or educational expenses.	17.4%	9.9%	***

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

## Financial Socialization

Table 2 shows the financial socialization students received from their parents/guardians before and during college. Results suggest that first-generation students are significantly less likely to have been provided financial advice, have conversations about money, been told what they needed to know about money management and had sound financial management modeled by a parent/guardian when compared to continuing-generation students.

**Table 2. Students who indicated ‘Agree or ‘Strongly Agree’ to their parents and guardians doing the following:**

	First-Generation Students ( <i>n</i> = 352)	Continuing-Generation Students ( <i>n</i> = 758)	Statistical Significance
Provide financial advice	63.1%	79.0%	***
Have conversation about money with you	69.0%	82.4%	***
Tell you what you needed to know about financial management	51.7%	65.7%	***
Model sound financial management	50.0%	71.5%	***

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

## Financial Strain & Optimism

Financial strain during college can impact students in different ways. Table 3 shows that ways in which financial concerns impacts students during college. Results suggest that first-generation students were significantly more likely to have neglected academic work due to financial strain compared to continuing-generation students. Moreover, first-generation students were more likely to transfer to a different institution, consider dropping out of college, worry about affording major life plans, and change post-graduation plans compared to continuing-generation students.

**Table 3. Impact of Financial Concerns on Students:**

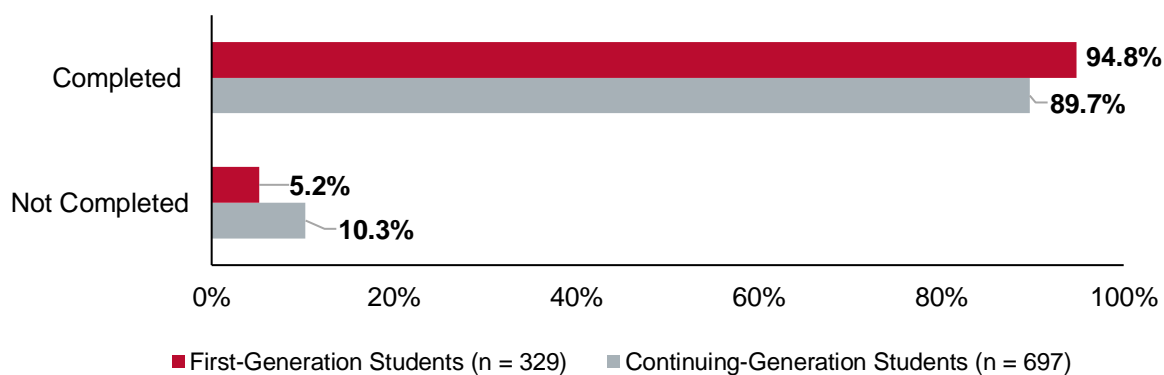
	First-Generation Students ( <i>n</i> = 337)	Continuing-Generation Students ( <i>n</i> = 736)	Statistical Significance
Neglected academic work	38.0%	29.6%	**
Reduce class load	23.4%	21.3%	-
Change program of study	15.7%	12.5%	-
Transfer to a different institution	15.4%	8.8%	**
Consider dropping out of college	34.4%	23.0%	***
Worry about affording major life plans (e.g., marriage, buying a house, etc.)	65.0%	55.6%	**
Change post-graduation plans	38.6%	31.5%	*

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$ ; Note. Students indicated whether or not financial concerns caused them to do any of the items.

## Financial Dependence

Students have the option to complete the Free Application for Federal Student Aid (FAFSA) while pursuing their degree. Figure 2 shows the difference in self-disclosed completion rates for FAFSA between first-generation and continuing-generation students. Results suggest that first-generation students are significantly more likely to complete FAFSA compared to continuing-generation students.

**Figure 2. Self-disclosed FAFSA completion rates by Generational Status**



## Paying for College

There are several options for students to fund their education, Table 4 displays potential sources of funding to pay for college. Students were asked to indicate how much of their total college expenses were paid by various sources of fundings. Table 4 thus demonstrates the difference between first-generation and continuing-generation students who indicated using “some, most, or all” of the funding source to pay for college.

**Table 4. Students who indicated using ‘some’, ‘most’ or ‘all’ to the following sources to pay for college:**

	First-Generation Students ( <i>n</i> = 333-337)	Continuing-Generation Students ( <i>n</i> = 726-736)	Statistical Significance
Money from parent(s) or other family members that doesn't need to be repaid	39.6%	68.9%	***
Money borrowed from family or friends	16.4%	13.7%	-
Scholarships or grants that don't need to be repaid (e.g., Pell grant, need-based aid or merit scholarship)	86.3%	73.7%	***
Money from my current job	49.4%	48.6%	-
Money from my savings	54.4%	55.4%	-
Credit Cards	17.1%	16.1%	-
Employer-provided education benefit	6.0%	6.1%	-
Military/veteran education benefit	6.6%	5.4%	-

\* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$ ; Note. Students indicated whether or not financial concerns caused them to do any of the items. This table does not include student loans. See the Student Loans section for an in-depth discussion on loan use.

As shown in Table 4, continuing-generation students were significantly more likely than first-generation students to use money given to them by family members that doesn't need to be repaid to pay for “some, most, or all” of total college expenses. Conversely, first-generation students were significantly more likely to use scholarships or grants to pay for “some, most, or all” of the total college expenses.

## Student Loans

Students were asked to self-report if they currently have or previously had student loans to pay for their education. As shown by Figure 3, 48.7% of first-generation students indicate having student loans, while 41.7% of continuing-generation students report having student loans.

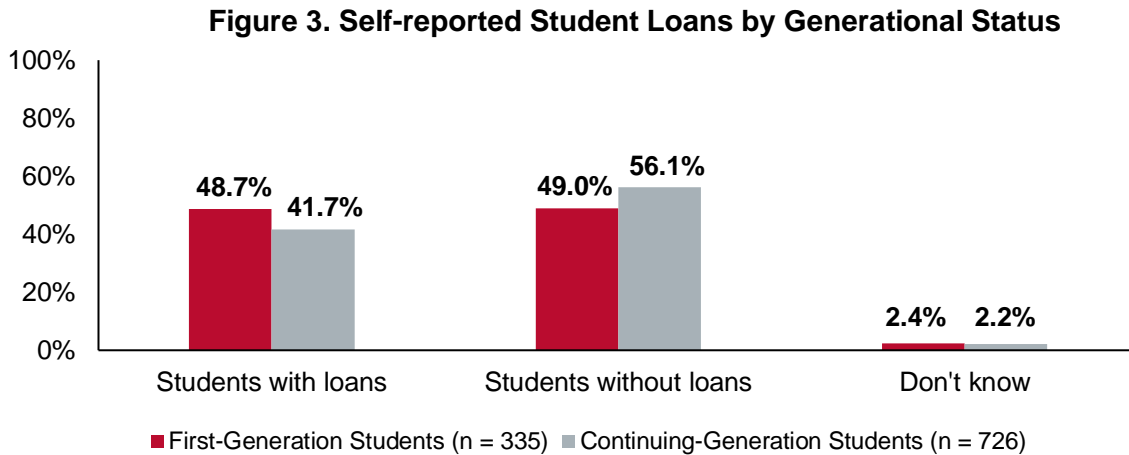


Table 5 shows the difference between expenses paid by student loans between first-generation and continuing-generation students. Results suggest that first-generation students are significantly more likely to use their students' loans on textbooks, off-campus housing and living and transportation expenses compared to continuing-generation students.

**Table 5. Expenses Paid by Student Loans**

	First-Generation Students (n = 162)	Continuing-Generation Students (n = 297)	Statistical Significance
Tuition and Fees	92.0%	95.6%	-
Textbooks	53.1%	41.4%	*
On-campus Housing	45.7%	45.1%	-
Off-campus Housing	27.2%	15.2%	**
Living Expenses (e.g., food, utilities)	39.5%	30.3%	*
Transportation Expenses	29.0%	14.8%	***
Medical Expenses	11.1%	6.4%	-
Childcare	1.2%	1.7%	-
Financial Support for Parents and/or Siblings	2.5%	1.4%	-
Financial Support for Children	1.2%	2.0%	-

\* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$ ; Note. Sources of expenses were coded to indicate whether respondents used student loans to pay for an expense or did not use student loans to pay for an expense.

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## Credit Cards & Consumer Debt

Table 6 shows that first-generation students are significantly more likely to make at least the monthly minimum payment, but not the full balance on a credit card bill compared to continuing-generation students. In contrast, continuing-generation students were more likely to indicate that someone else pays their credit card bills compared to first-generation students.

**Table 6: Credit Card Bill Payment Behavior**

	First-Generation Students ( <i>n</i> = 201)	Continuing-Generation Students ( <i>n</i> = 436)	Statistical Significance
Pay less than the monthly minimum payment	2.0%	1.8%	-
Make at least the monthly minimum payment, but not the full balance	32.3%	19.3%	***
Pay the full balance	60.7%	62.4%	-
Someone else pays my credit card bills	5.0%	16.5%	***

\* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$

## Conclusion

This report provides information about the differences between first-generation and continuing-generation college students in terms of financial wellness. Previous research suggests significant differences in financial wellness between first-generation and continuing-generation college students (Rehr, Regan, Abukar, and Meshelemiah, 2022). Overall, first-generation students were more likely to exhibit negative financial management behaviors, financial dependence, and more likely to be impacted by financial concerns. Continuing-generation students were more likely to be financial socialized and more likely to have student loans.

## Reference

Rehr, T. I., Regan, E. P., Abukar, Z., & Meshelemiah, J. C. (2022). Financial Wellness of First-Generation College Students. *College Student Affairs Journal*, 40(1), 90-105.

## Participant Demographics

The table below provides demographic information for Ohio State undergraduate students that completed the SCFW in 2023.

	First-Generation Students (n = 359)		Continuing-Generation Students (n = 772)	
	n	Percent	n	Percent
<b>Race/Ethnicity</b>				
Asian Pacific Islander Desi American (APIDA) and/or Native Hawai'ian	24	6.7%	63	8.2%
Black and/or African American	52	14.5%	40	5.2%
Hispanic/Latine	20	5.6%	19	2.5%
Biracial and/or Multiracial	48	13.4%	62	8.0%
White and/or European American	207	57.7%	560	72.5%
Prefer not to answer	6	1.7%	22	2.9%
Another identity not listed	2	0.6%	6	0.8%
<b>Age</b>				
18 – 24	331	92.2%	727	94.2%
25 or older	28	7.8%	45	5.8%
<b>Gender Identity</b>				
Man	105	29.3%	243	31.5%
Woman	243	67.7%	472	61.1%
Multiple Identities	4	1.1%	20	2.6%
Another identity not listed	5	1.4%	31	4.0%
Prefer not to disclose	2	0.6%	6	0.8%
<b>School Year</b>				
First-year undergraduate	170	47.4%	353	45.7%
Second-year undergraduate	52	14.5%	121	15.7%
Third-year undergraduate	59	16.4%	148	19.2%
Fourth-year undergraduate	54	15.0%	105	13.6%
Fifth-year undergraduate or beyond	24	6.7%	45	5.8%
<b>Tuition Status</b>				
In-state tuition	313	87.2%	634	82.1%
Out-of-state tuition	26	7.2%	105	13.6%
International student tuition	6	1.7%	14	1.8%
I don't know	14	3.9%	19	2.5%
<b>Employment Status</b>				
Employed	221	64.6%	450	60.7%
Not employed	121	35.4%	291	39.3%

*Note.* The sum of responses may exceed the overall *n* because participants could select more than one option.