



Student Loans and Paying for College

Study on Collegiate Financial Wellness

Center for the Study of Student Life

August 2023



THE OHIO STATE UNIVERSITY

EXECUTIVE SUMMARY

The purpose of the Study on Collegiate Financial Wellness (SCFW) is to gain a more thorough and accurate picture of the financial wellness of undergraduate students. This report addresses the most recent The Ohio State University administration of the SCFW in March 2023 and summarizes findings in key areas of financial wellness among First, Second, Third, Fourth, and Fifth year and beyond students.

For reference on this cohort of students, first year students had their first year of college in the 2022-2023 school year. Second years had their first year of college in 2021-2022, third years had their first year of college in 2020-2021 and fourth years had their first year of college in 2019-2020. Fifth years and beyond had their first year of college in 2018-2019 or earlier.

KEY FINDINGS

- There are few significant differences between each of the ranks.
- First-year students are significantly less likely to say that they will borrow the maximum amount of student loans offered to them, regardless of the amount, compared to other students.
- Tuition, housing and textbooks are the most common items that students pay for with their student loans.

What is your year in school? (*n* = 522)

	<i>n</i>	Percent
First-year undergraduate	134	25.6%
Second-year undergraduate	124	23.8%
Third-year undergraduate	123	23.6%
Fourth-year undergraduate	102	19.5%
Fifth-year or beyond undergraduate	39	7.5%

FINDINGS

Federal Pell Grant & Work Study

The table below shows the percentage of students by school year who indicated that they had either been offered or received a federal Pell Grant or federal work study while pursuing their current degree. Students had the option to respond “yes,” “no,” or “I don’t know.” The table below displays the percentage of student who indicated “yes.”

Table 1. Federal Pell Grant and Work Study

Items	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Significance
A federal Pell Grant	39.6%	38.8%	36.4%	37.5%	60.6%	-
Federal work study	24.5%	27.8%	21.4%	21.3%	42.4%	*

Note. Sample size: 1st year *n* = 106; 2nd year *n* = 97-98; 3rd year *n* = 98-99; 4th year *n* = 80; 5th year *n* = 33.

Sources of Funding

Students were asked to indicate how much (None, Some, Most, or All) of the following sources of funding paid for their college expenses. The table below displays the percentage of students by school year who indicated Some, Most, or All for the following sources of funding:

Table 2. Sources of Funding for College Expenses

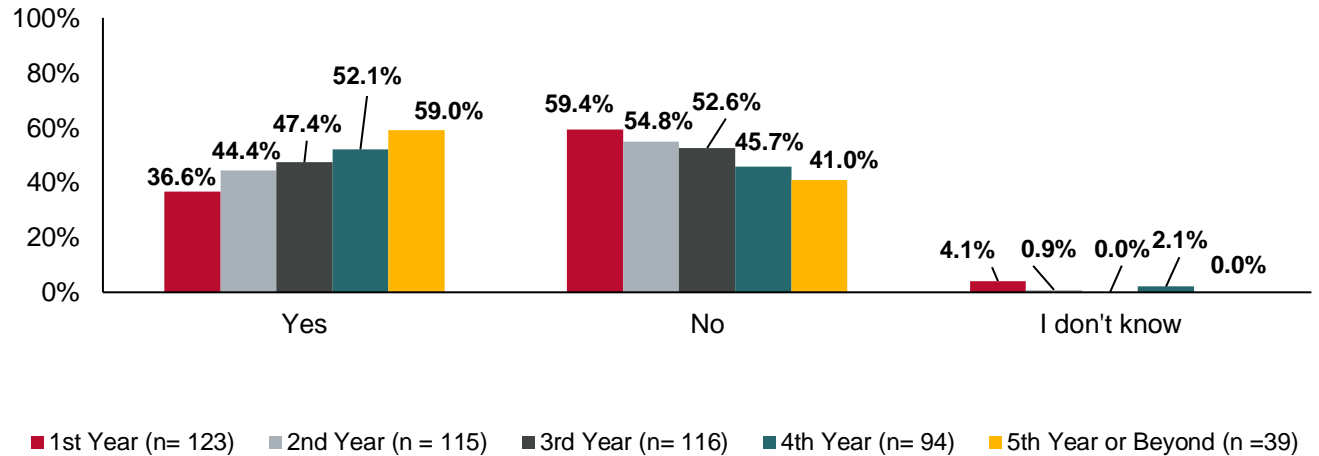
Amount	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year & Beyond	Significance
Money from parent(s) or other family members that doesn't need to be repaid	39.3%	45.7%	34.2%	36.5%	20.5%	-
Money borrowed from family or friends	3.3%	8.7%	3.5%	2.1%	5.1%	-
Scholarships or grants that don't need to be repaid (e.g., Pell grant, need-based aid or merit scholarship)	38.2%	25.0%	32.7%	25.3%	33.3%	-
Money from my current job	4.9%	12.1%	11.5%	10.5%	7.7%	-
Money from my savings	14.6%	13.8%	13.3%	16.8%	7.7%	-
Credit cards	2.4%	5.2%	6.2%	1.1%	12.8%	*
Employer-provided education benefit	6.5%	3.5%	5.3%	0.0%	15.4%	**
Military/veteran education benefit	6.5%	6.1%	7.1%	2.1%	12.8%	-

Note. Sample size: 1st year $n = 122-123$; 2nd year $n = 114-116$; 3rd year $n = 113-116$; 4th year $n = 94-96$; 5th year $n = 39$. The total may exceed the overall n because respondents could select more than one option. This table does not include student loans. Please see the Student Loan section for an in-depth discussion on loan use.

Student Loans

Students were asked to indicate if they have or previously had student loans to pay for their education including federal or private student loans. The figure below displays the percentage of students by school year who indicated Yes, No, or I don't know.

Figure 1. Self-Reported Student Loans



Students who reported having student loans were asked to select the type of student loans they had from the following options:

Table 3. Student Loan Type

Loan Type	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year & Beyond	Significance
Federal e.g., Direct Loan, Perkins, or Stafford	62.2%	60.8%	55.6%	65.3%	61.9%	-
Private e.g., from a bank, from a credit union	4.4%	2.0%	7.4%	0.0%	0.0%	-
Both federal and private	22.2%	27.5%	27.8%	28.6%	28.6%	-
I don't know	11.1%	9.8%	9.3%	6.1%	9.5%	-

Note. Sample size: 1st year $n = 45$; 2nd year $n = 51$; 3rd year $n = 54$; 4th year $n = 49$; 5th year $n = 21$.

The table below displays the percentage of students by school year who indicated borrowing from \$1 to \$60,000 or more, or don't know.

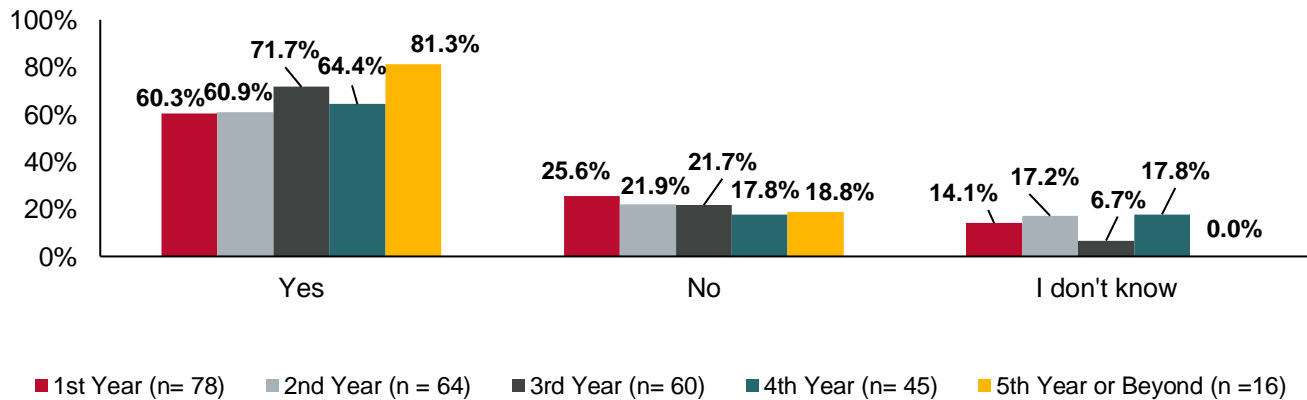
Table 4. Amount of Student Loans Borrowed

\$1-\$9,999	48.9%	31.4%	18.5%	10.2%	9.5%	***
\$10,000-\$19,999	26.7%	37.3%	24.1%	24.5%	14.3%	-
\$20,000-\$29,999	6.7%	7.8%	22.2%	18.4%	19.1%	-
\$30,000-\$39,999	0.0%	7.8%	9.3%	18.4%	9.5%	*
\$40,000-\$49,999	2.2%	3.9%	5.6%	12.2%	19.1%	-
\$50,000-\$59,999	2.2%	0.0%	1.9%	6.1%	9.5%	-
\$60,000+	0.0%	2.0%	7.4%	4.1%	9.5%	-
I don't know	13.3%	9.8%	11.1%	6.1%	9.5%	-

Note. Sample size: 1st year $n = 45$; 2nd year $n = 51$; 3rd year $n = 54$; 4th year $n = 49$; 5th year $n = 21$.

Students who indicated **not** taking out any student loans were asked if they have been offered a student loan. The table below shows the percentage of student by school year who indicated Yes, No, or I don't know.

Figure 2. Self-Reported Student Loans Offered



Comfort with Student Loans

All students were asked how much debt they would personally be willing to accumulate to complete their current degree. The table below show the percentage of students by school year who are willing to accumulate from \$1 to \$60,000 or more in debt, or don't know.

Table 6. Amount of Debt Willing to Accumulate

Amount	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year & Beyond	Significance
\$1-\$9,999	13.2%	18.4%	16.7%	16.1%	24.3%	-
\$10,000-\$19,999	16.5%	14.9%	18.4%	12.9%	13.5%	-
\$20,000-\$29,999	14.1%	19.3%	14.9%	18.3%	16.2%	-
\$30,000-\$39,999	7.4%	7.9%	13.2%	8.6%	2.7%	-
\$40,000-\$49,999	8.3%	8.8%	10.5%	9.7%	8.1%	-
\$50,000-\$59,999	4.1%	7.0%	2.6%	4.3%	2.7%	-
\$60,000+	10.7%	10.5%	4.4%	10.8%	10.8%	-
I don't know	25.6%	13.2%	19.3%	19.4%	21.6%	-

Note. Sample size: 1st year $n = 121$; 2nd year $n = 114$; 3rd year $n = 114$; 4th year $n = 93$; 5th year $n = 37$.

All students were to indicate the degree in which they agreed or disagree with the following statement:

I am comfortable with using student loans to help pay for my education, as needed. ($n = 479$)

Table 5. Comfort using Loans for Education

Percent Strongly Agree to Strongly Disagree	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year & Beyond	Significance
Strongly Agree	4.1%	5.3%	2.7%	13.8%	10.8%	**
Agree	31.2%	40.7%	34.5%	38.3%	18.9%	-
Disagree	45.1%	37.2%	39.8%	29.8%	35.1%	-
Strongly Disagree	19.7%	16.8%	23.0%	18.1%	35.1%	-

Note. Sample size: 1st year $n = 122$; 2nd year $n = 113$; 3rd year $n = 113$; 4th year $n = 94$; 5th year $n = 37$.

Students who indicated being not being comfortable with using student loans were asked what makes them uncomfortable with student loans. The table below displays the percentage of students by school year who indicated as reasons for being uncomfortable with student loans. There are no significant differences between years for reasons they are uncomfortable with taking out student loans.

Table 7. Reasons for Discomfort with Student Loans

Item	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year & Beyond	Significance
I don't need student loans to pay for college	37.2%	31.2%	33.8%	38.6%	30.8%	-
My parent family have encouraged me not to take student loans	34.6%	54.1%	38.0%	34.1%	38.5%	-
I may not be able to pay back the student loans I take out	50.0%	47.5%	53.5%	45.5%	53.9%	-
I may have to delay things I want to do (e.g., marriage, buying a house) because of student loan debt	61.5%	60.7%	63.4%	59.1%	57.7%	-
Student loan debt may change my educational or career plans	30.8%	32.8%	40.9%	43.2%	34.6%	-
Student loans may cause me unnecessary stress	83.3%	82.0%	85.9%	75.0%	69.2%	-
I believe student loan agencies and companies are untrustworthy	30.8%	36.1%	35.2%	36.4%	50.0%	-
Other people might judge me for using student loans	9.0%	6.6%	5.6%	11.4%	0.0%	-

Note. Sample size: 1st year $n = 78$; 2nd year $n = 61$; 3rd year $n = 71$; 4th year $n = 44$; 5th year $n = 26$. The total may exceed the overall n because respondents could select more than one option.

Paying for College

The table below shows the percentage of students by school year who indicate using their student loans to pay for the following items. These questions were asked to all students and they were able to select all that apply:

Table 8. Usage of Student Loans

Items	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year & Beyond	Significance
Tuition and fees	95.6%	98.0%	92.3%	93.9%	70.0%	**
Textbooks	51.1%	41.2%	51.9%	47.9%	65.0%	-
On-campus housing	60.0%	62.8%	25.0%	35.4%	25.0%	***
Off-campus housing	6.7%	11.8%	30.7%	35.4%	30.0%	**
Living expenses e.g., food, utilities	26.7%	29.4%	44.2%	41.7%	35.0%	-
Transportation expenses e.g., cars, bus passes	20.0%	19.6%	19.2%	22.9%	25.0%	-
Medical expenses	4.4%	5.9%	11.5%	4.2%	30.0%	*
Other (n= 10)	4.4%	0.0%	5.7%	2.1%	20.0%	*

Note. Sample size: 1st year $n = 45$; 2nd year $n = 51$; 3rd year $n = 52$; 4th year $n = 48$; 5th year $n = 20$. The total may exceed the overall n because respondents could select more than one option.

Student Loan Payments

Students who indicated having student loans were asked if they knew what their student loan monthly payment would be after they graduate. Table 9 below shows the percentage of students by school year who indicate 'yes, I have a good idea,' 'I have an approximate idea,' or 'no, I do not have a good idea.'

Table 9. Student Loans Monthly Payments

Items	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year & Beyond	Significance
Yes, I have a good idea	11.1%	13.7%	11.5%	20.4%	28.6%	-
I have an approximate idea	46.7%	37.3%	38.5%	28.6%	28.6%	-
No, I do not have a good idea	42.2%	49.0%	50.0%	51.0%	42.9%	-

Note. Sample size: 1st year $n = 45$; 2nd year $n = 51$; 3rd year $n = 52$; 4th year $n = 49$; 5th year $n = 21$.

Students were asked to indicate the degree to which they agree or disagree with the following statement:

After graduation, I will be able to pay off any debt acquired while I was a student. ($n = 219$)

Table 10. Paying Off Debt After Graduation

Percent Strongly Agree to Strongly Disagree	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year & Beyond
Strongly Agree	17.8%	5.9%	11.3%	18.4%	9.5%
Agree	57.8%	72.6%	50.9%	51.0%	47.6%
Disagree	22.2%	19.6%	24.5%	22.5%	38.1%
Strongly Disagree	2.2%	2.0%	13.2%	8.2%	4.8%

Note. Sample size: 1st year $n = 45$; 2nd year $n = 51$; 3rd year $n = 53$; 4th year $n = 49$; 5th year $n = 21$.

Students were asked: ‘when deciding how much money I will need to borrow for the school, I will...’ and were promoted to select all that apply from the following items:

Table 11. Borrowing Behaviors

Items	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Significance
Borrow the maximum amount available in my aid package, regardless of the amount	4.4%	27.5%	18.9%	36.7%	33.3%	**
Use a budget and borrow only what I think I need	44.4%	35.3%	37.4%	30.6%	19.1%	-
Try to borrow as little as possible	55.6%	43.1%	49.1%	44.9%	38.1%	-
Decide on my own how much I will need to borrow	13.3%	11.8%	22.6%	16.3%	14.3%	-
Consult with a parent, guardian, or family member to determine how much I will need to borrow	48.9%	54.9%	37.7%	46.9%	28.6%	-
Use information obtained from the Internet to determine how much I will need to borrow	15.6%	9.8%	7.4%	6.1%	14.3%	-
Consider the maximum amount of loan money available to me (e.g., Pell Grant maximum limits, GI Bill funding limits, etc.)	17.8%	17.7%	16.7%	28.6%	28.8%	-

Note. Sample size: 1st year $n = 45$; 2nd year $n = 51$; 3rd year $n = 54$; 4th year $n = 49$; 5th year $n = 21$. The total may exceed the overall n because respondents could select more than one option.

Participant Demographics

Race/Ethnicity ($n = 522$)

	1 st Year		2 nd Year		3 rd Year		4 th Year		5 th Year+	
	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent
White or European American	82	61.2%	89	71.8%	94	76.4%	78	76.5%	29	74.4%
Multiple Identities	16	11.9%	13	10.5%	9	7.3%	8	7.8%	4	10.3%
Another Identity Not Listed	30	22.4%	18	14.5%	18	14.6%	15	14.7%	5	12.8%
Prefer not to answer	6	4.5%	4	3.2%	2	1.6%	1	1.0%	1	2.6%

Notes. The total may exceed the overall n because respondents could select more than one option. This category is an aggregate of the data in the table. These numbers refer to respondents who selected more than one choice.

Gender Identity ($n = 522$)

	1 st Year		2 nd Year		3 rd Year		4 th Year		5 th Year+	
	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent
Woman	77	57.5%	87	70.2%	77	62.6%	75	73.5%	14	35.9%
Man	46	34.3%	32	25.8%	44	35.8%	23	22.6%	16	41.0%
Another identity not listed	2	1.5%	2	1.6%	1	0.8%	1	1.0%	5	12.8%
Multiple identities selected	7	5.2%	2	1.6%	1	0.8%	2	2.0%	3	7.7%
Prefer not to answer	2	1.5%	1	0.8%	0	0.0%	1	1.0%	1	2.6%

Notes. The total may exceed the overall n because respondents could select more than one option. This category is an aggregate of the data in the table. These numbers refer to respondents who selected more than one choice.

First-generation Status ($n = 522$)

	1 st Year		2 nd Year		3 rd Year		4 th Year		5 th Year+	
	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent
Continuing generation	89	66.4%	92	74.2%	93	75.6%	74	72.6%	29	74.4%
First generation	45	33.6%	32	25.8%	30	24.4%	28	27.5%	10	25.6%

Current Employment (n = 501)

	1 st Year		2 nd Year		3 rd Year		4 th Year		5 th Year+	
	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent	<i>n</i>	Percent
Yes	62	48.4%	72	61.0%	96	80.7%	74	76.3%	30	76.9%
No	66	51.6%	46	39.0%	23	19.3%	23	23.7%	9	23.1%