

## STUDENT LOANS AT FIRST-GEN FORWARD INSTITUTIONS

This report uses data from the Study on Collegiate Financial Wellness (SCFW) to examine the financial attitudes, behavior and knowledge of students from colleges and universities across the United States. In 2020, the SCFW surveyed students at 60 institutions; 29,883 students completed the survey for a response rate of 12.7%. Throughout this brief, a student is categorized as first-generation if they self-reported that neither of their parents graduated with at least a bachelor's degree. Colleges and universities were categorized as First-Gen Forward if they received the designation in 2019 or 2020 by the Center for First-generation Student Success. The First-Gen Forward designation recognizes and supports institutions that are working to improve outcomes for first-generation students. This report summarizes the differences in student loan debt among first-generation college students at four-year public institutions with and without the First-Gen Forward designation.

### METHODS

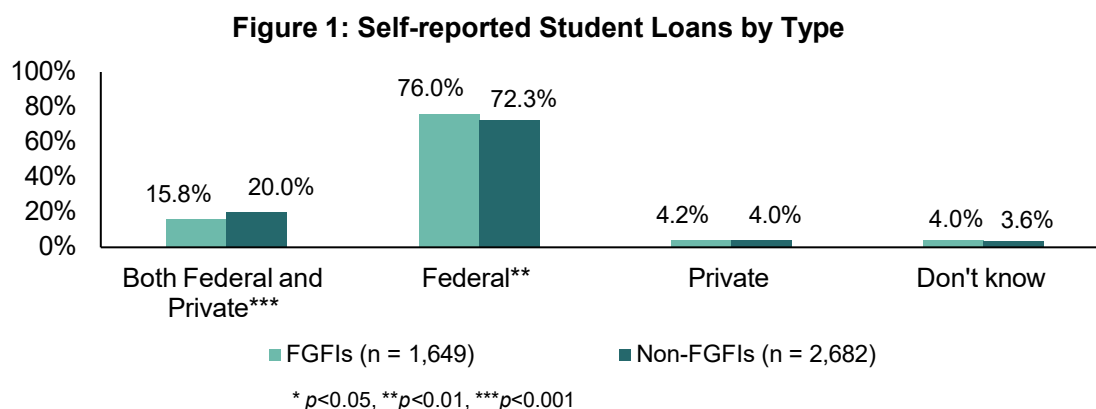
This study included 13 First-Gen Forward institutions (FGFIs) and 18 Non-First-Gen Forward institutions (Non-FGFIs). Institutions that received their First-Gen Forward designation in 2021 or 2022 were excluded from the study. Moreover, two institutions without an active campus website reconfirming their First-Gen Forward designation were excluded. The sample for this study was limited to first-generation undergraduate students who were pursuing a bachelor's degree and enrolled at a four-year public institution. The final sample included 4,331 first-generation students with loan debt. A total of 1,649 (38.1%) were first-generation students at FGFIs and 2,682 (61.9%) were first-generation students at Non-FGFIs. The following analyses focus on first-generation students with loans using chi-square tests of independence.

### FINDINGS

As shown in Figure 1, first-generation students at FGFIs are significantly more likely to have only federal loans compared to first-generation students at Non-FGFIs. On the other hand, first-generation students at Non-FGFIs are more likely to have a combination of federal and private student loans. Federal loans include Perkins, Stafford or Direct loans. Private loans are loans from banks or credit unions.

#### KEY FINDINGS

- First-generation students at FGFIs are more likely to have federal student loans only, while first-gen students at non-FGFIs are more likely to have a combination of federal and private student loans.
- First-generation students at FGFIs are more likely to owe between \$1 to \$9,999 in student loans, while students at Non-FGFIs are more likely to owe \$30,000 and above.
- First-generation students at Non-FGFIs are more likely to use student loans for tuition and fees, while first-generation students at FGFIs are more likely to use student loans on living, transportation, medical expenses and off-campus housing.



First-generation students at FGFIs and Non-FGFIs differed in the ways they used their student loans. Table 1 shows the difference between first-generation students at FGFIs and Non-FGFIs and the expenses paid using student loans. As shown in Table 1, first-generation students at Non-FGFIs were significantly more likely to use student loans for tuition and fees. However, first-generation students at FGFIs were more likely to use student loans for textbooks, off-campus housing, financial support for family members, and living, transportation and medical expenses.

**Table 1: Expenses Paid by Student Loans**

	FGFIS (n = 1,649)	Non-FGFIs (n = 2,682)	Statistical Significance
Tuition and Fees	89.0%	94.6%	***
Textbooks	63.2%	59.3%	*
On-campus Housing	35.8%	36.0%	-
Off-campus Housing	30.3%	24.7%	***
Living Expenses (e.g., food, utilities)	52.6%	44.0%	***
Transportation Expenses	30.4%	23.8%	***
Medical Expenses	12.6%	9.7%	**
Childcare	2.6%	1.8%	-
Financial Support for Parents and/or Siblings	5.5%	3.9%	*
Financial Support for Children	4.6%	2.8%	**

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

Figure 2 shows the difference between the amount of student loans borrowed between first-generation students at FGFIs and first-generation students at Non-FGFIs. First-generation students at FGFIs are significantly more likely to owe between \$1 - \$9,999 in student loans compared to first-generation students at Non-FGFIs. Non-FGFIs were more likely to owe \$30,000 or more compared to first-generation students at FGFIs.

**Figure 2: Self-reported Amount of Student Loan Debt by First-Gen Forward Designation**

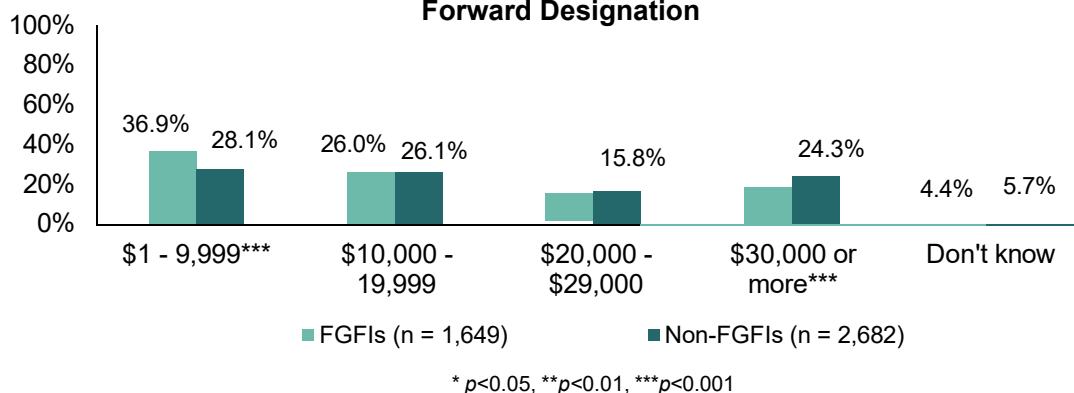
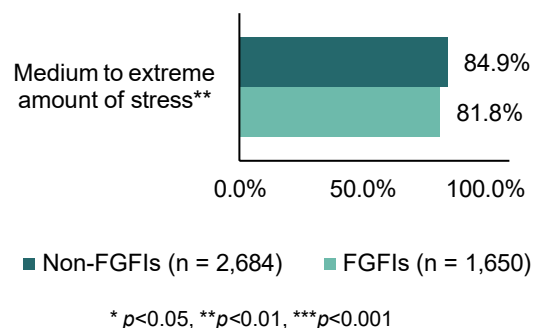


Figure 3 shows the percentage of first-generation students who experience medium, large, or extreme amounts of stress due to any source of debt including student loans, credit cards, car loans, personal loans or payday loans. There was a statistically difference between first-generation students at FGIs and Non-FGIs, with first-generation students at Non-FGIs experiencing more stress due to debt.

**Figure 3: Amount of Stress Due to Debt**



## CONCLUSION

This brief contributes to the nascent research on FGIs and the impact FGIs may have on first-generation students. The first analysis suggests that first-generation students at Non-FGIs are more likely to rely on both federal and private student loans. The second analysis suggests that first-generation students at Non-FGIs are more likely to use their loans on tuition and fees than on other expenses. The last two analyses demonstrate that first-generation students at Non-FGIs are more likely to have a larger amount of student loans (\$30,000 or more) and are more likely to experience medium to extreme amounts of stress due to debt. More research is needed to understand the implications of FGIs on first-generation student success and financial wellness.

**If you are interested in learning more about the SCFW, please contact us at [scfw@osu.edu](mailto:scfw@osu.edu).**

### Suggested Citation

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**For more information about First-Gen Forward institutions visit: [firstgen.naspa.org](http://firstgen.naspa.org)**