

FINANCIAL EXPERIENCES AMONG FIRST-GENERATION COLLEGE STUDENTS

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 2017, the SCFW surveyed students at 65 institutions; 28,539 students completed the survey for a response rate of 10.5%. This report summarizes the financial experiences of first-generation college students. 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; students are categorized as continuing-generation if at least one of their parents has a bachelor's degree.

METHODS

The sample for this study was limited to domestic students between the ages of 18 and 23 who were pursuing a bachelor's degree and enrolled at a four-year, public institution. Only participants with complete responses across all variables of interest were included. Additionally, a cleaning process was used to identify mischievous responders in the dataset. The final sample included 12,295 participants, of which 4,205 (34.2%) were first-generation students and 8,090 (65.8%) were continuing-generation students. A detailed summary of participant demographics is provided in the Appendix.

RESULTS

Two sets of analyses were conducted for this research brief. The first analysis examined the differences between the sources of funding for educational expenses between first-generation and continuing-generation students using chi-square test of independence. Results from this analysis are displayed in Table 1.

Table 1: Sources of Funding for Educational Expenses

	First-Generation Students (<i>n</i> = 4,205)	Continuing-Generation Students (<i>n</i> = 8,090)	Statistical Significance
Scholarships and grants	85.4%	75.8%	***
Federal student loans	72.1%	51.1%	***
Money from job	57.6%	48.7%	***
Parent/family income	57.6%	78.1%	***
Private student loans	28.1%	21.5%	***
Credit cards	14.0%	10.5%	***

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$; Note. Sources to pay for educational expenses were coded to indicate whether respondents used a particular source or did not use a particular source.

KEY FINDINGS

- Traditional age first-generation college students at four-year, public institutions were significantly more likely than continuing-generation students to use loans (both federal and private), scholarships, credit cards and money from a job to finance their education.
- First-generation students were less likely than continuing-generation students to use money from parents as a source of funding.
- First-generation students indicated increased financial strain, but lower financial knowledge, self-efficacy and optimism relative to continuing-generation students.

The first-generation students in this sample (i.e., between the ages of 18 and 23, enrolled at public, four-year institutions, and pursuing a bachelor's degree) were significantly more likely to use scholarships and grants, student loans (both federal and private), money from their jobs and credit cards to pay for college expenses. However, continuing-generation students were more likely to use money from parents or other family members than first-generation students.

The second set of analyses explored how continuing-generation and first-generation students differed on key financial wellness measures using independent samples *t*-tests. Full descriptions of financial wellness measures are provided in the Appendix. Figure 1 and Figure 2 display results from these analyses.

There were statistically significant differences between first-generation and continuing-generation students on all measures. First-generation students had significantly higher financial strain scores, but had significantly lower financial self-efficacy, financial optimism and financial knowledge scores when compared to continuing-generation students.

CONCLUSION

This brief contributes to the growing research on the experiences of first-generation students in college. The first analysis demonstrated that first-generation students were less likely to use money from parents or other family members to fund their education, and instead relied on other sources of funding. This could be concerning for sources of funding that may have high interest rates, such as credit cards or private student loans. The second analysis suggested that first-generation students have different experiences around different dimensions of financial wellness. Further research is needed to understand how the financial experiences of first-generation students impact their academic success, and how institutions can provide support to first-generation students around financial wellness. However, this brief includes only domestic, traditional age students pursuing bachelor's degrees at four-year, public institutions. The financial experiences of first-generation students at other institutions or from other demographic groups may vary from the trends captured in this brief.

MORE INFORMATION

The Study on Collegiate Financial Wellness (SCFW) is a multi-institutional survey of college students examining their financial attitudes, practices and knowledge. The 2017 SCFW was administered to 271,191 students at 65 different U.S. institutions and 90 individual campuses; 28,539 students responded for a response rate of 10.5%. Most respondents were enrolled at four-year public institutions (68%); 10% were enrolled at four-year private institutions and 22% were enrolled at two-year public institutions.

Figure 1: Mean Scores on Financial Wellness Measures

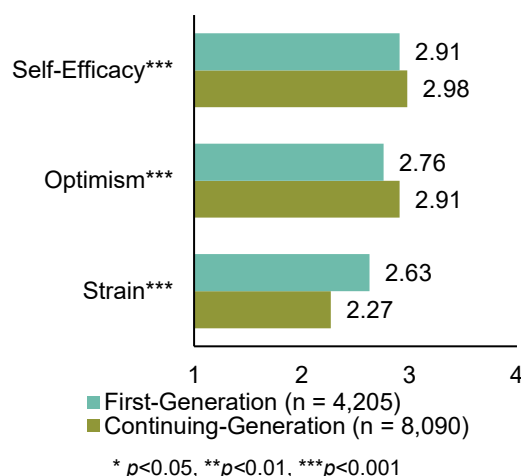
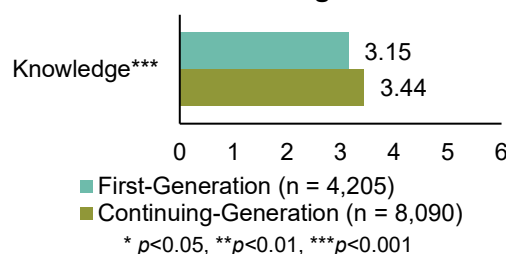


Figure 2: Mean Scores on Financial Knowledge Measure



FURTHER READING

Cataldi, E. F., Bennett, C. T., & Chen, X. (2018). *First-generation students: College access, persistence, and postbachelor's outcomes*. (NCES Stats in Brief No. 421). Retrieved from <https://nces.ed.gov/pubs2018/2018421.pdf>

Wilbur, T. & Roscigno, V. J. (2016). First-generation disadvantage and college enrollment/completion. *Socius: Sociological Research for a Dynamic World*, 2(1), 1-11.

APPENDIX

Table A1: Full Sample Participant Demographics

		Continuing-Generation Students (<i>n</i> = 8,090)		First-Generation Students (<i>n</i> = 4,205)	
		<i>n</i>	%	<i>n</i>	%
Race and Ethnicity	White	6,385	78.9%	2,736	65.1%
	Black	353	4.4%	314	7.5%
	Latinx	449	5.6%	679	16.1%
	Asian	451	5.6%	230	5.5%
	Multiracial	320	4.0%	170	4.0%
	Other	92	1.1%	50	1.2%
	Prefer not to say	40	0.5%	26	0.6%
Gender Identity	Cisgender Man	2,820	34.9%	1,222	29.1%
	Cisgender Woman	5,180	64.0%	2,930	69.7%
	Transgender	72	0.9%	48	1.1%
	Prefer not to state	18	0.2%	5	0.1%
Employment Status	Not employed	3,167	39.1%	1,392	33.1%
	Employed part-time	4,568	56.5%	2,552	60.7%
	Employed full-time	355	4.4%	261	6.2%

Table A2: Definition of Financial Measures

Measure	Description	Score Range	Total Items
Financial Self-Efficacy	Feeling of confidence and preparedness when dealing with financial matters	1 – 4	7
Financial Strain	Feeling stressed or worried about finances	1 – 4	5
Financial Optimism	Attitudes toward financial future	1 – 4	3
Financial Knowledge	Knowledge of personal finance topics, including inflation, loan repayment, net pay and credit cards	0 – 6	6

If your institution is interested in participating in the next administration of the SCFW, please contact us at scfw@osu.edu.

Suggested Citation

Study on Collegiate Financial Wellness. (2020). *Financial Experiences Among First-Generation College Students*. Center for the Study of Student Life, The Ohio State University, Columbus, Ohio.