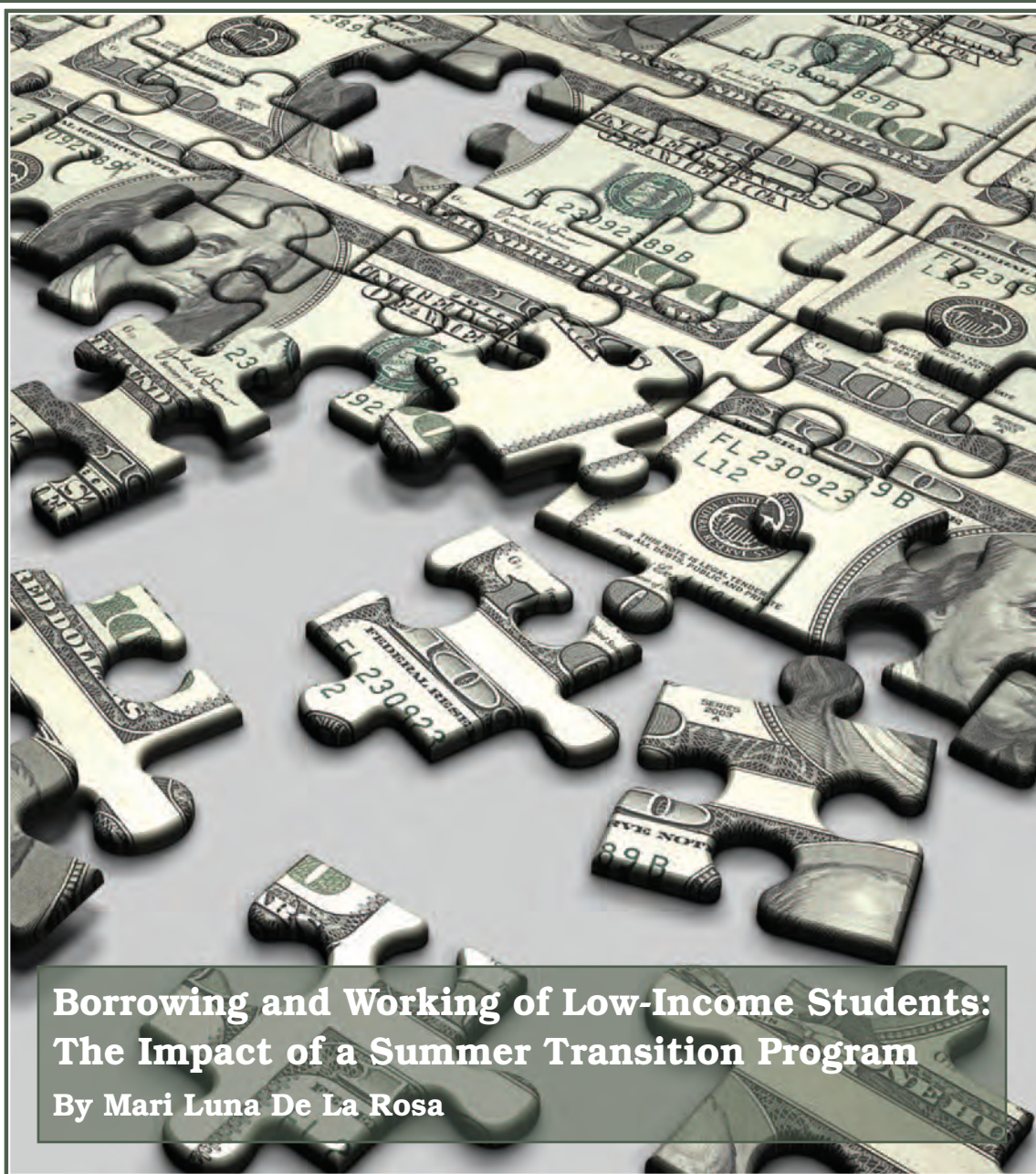


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**Borrowing and Working of Low-Income Students:
The Impact of a Summer Transition Program**
By Mari Luna De La Rosa



NASFAA

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Editor's Column	The Eye of a Storm: Financial Aid Professionals and Mounting Student Debt	2
Articles	Borrowing and Working of Low-Income Students: The Impact of a Summer Transition Program By Mari Luna De La Rosa	5
	College Debt: An Exploratory Study of Risk Factors Among College Freshmen By Linda Simpson, Renee Smith, Lisa Taylor, and Julie Chadd	16
	To Work or Not to Work: Student Employment, Resiliency, and Institutional Engagement of Low-Income, First-Generation College Students By Edward F. Martinez, Dolores C. Bilges, Sherrille T. Shabazz, Rhoda Miller, and Elsa-Sofia Morote	28
Book Review	<i>The Art and Science of Student Aid Administration in the 21st Century</i> By Kathy Bialk	40
Guidelines for Authors		44

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Editor's Column: The Eye of a Storm: Financial Aid Professionals and Mounting Student Debt

How students pay for college continues to garner national attention in the United States, and rightly so. President Obama in his 2012 State of the Union Address noted that "... Americans owe more in tuition debt than credit card debt..." The February 2012 Quarterly Report on Household Credit from the Federal Reserve Bank of New York (FRBNY) provides a clear-eyed glimpse of the current state of student debt and notes, "The outstanding student loan balance now stands at about \$870 billion, surpassing the total credit card balance (\$693 billion) and the total auto loan balance (\$730 billion). With college enrollments increasing and the costs of attendance rising, this balance is expected to continue its upward trend."

In total, about 15% of Americans carry student loan debt, although this number is much higher among younger people. Furthermore, 40% of people under the age of 30 had student debt. The average amount of debt was \$23,000 compared to a median of \$12,800 (the difference is indicative of the variation in individual debt loads). Analysis of the data also shows that as much as 27% of students' balances were overdue, but this amount excludes the 47% of borrowers who appeared to be in deferral or forbearance. The FRBNY report concludes, "In sum, student loan debt is not just a concern for the young. Parents and the federal government shoulder a substantial part of the postsecondary education bill."

Financial aid professionals have long been at the center of the conversation about how students pay for college. As such, administrators live and work in the nexus of numerous and profound interwoven issues: economic opportunity, intergenerational transfer of wealth, social stratification, social mobility, equity, equal opportunity, civic preparedness, educational access, and more. Although empirical evidence and disciplined discourse cannot construct one clear path for aid professionals through this nexus, it can help illuminate the journey. In this issue and a future special issue (look for a call for submissions), the *Journal of Student Financial Aid* seeks to offer some elucidation by continuing to delve into the topic of how students pay for college.

In This Issue

Mari Luna De La Rosa focuses on how low-income, summer bridge students weigh employment and student loan borrowing options before beginning college in her piece titled, "Borrowing and Working of Low-Income Students: The Impact of a Summer Transition Program." Luna De La Rosa finds that after six weeks in the bridge program fewer students appeared to be willing to borrow money for school or ask their parents for

help. At the same time, fewer students indicated that they felt that financial difficulties would be a challenge for them in their first year. Finally, a greater proportion of students indicated they would pay for school through work by the end of the six weeks than had at the start.

Linda Simpson, Renee Smith, Lisa Taylor, and Julie Chadd also look at how a variety of factors influence student perceptions about paying for college in their study titled “College Debt: An Exploratory Study of Risk Factors Among College Freshmen.” Specifically, Simpson and colleagues tried to ascertain to what extent money management skills, debt tolerance, general loan knowledge, and estimates of future income affected students’ perceived willingness to incur debt. Although over half of the students in the sample incorrectly overestimated average earnings for their chosen field of study, no relationship was found between estimates of future income and debt aversion. Somewhat surprisingly, perhaps, no statistically significant relationship was found between money management skills, debt tolerance, general loan knowledge, and willingness to incur debt, although the majority of the students demonstrated relatively poor knowledge about student loans.

Edward F. Martinez, Dolores Bilges, Sherille T. Shabazz, Rhoda Miller, and Sofia-Elsa Morote explore the relationship between forms of work and resilience and institutional engagement among low-income, first-generation college students in their article, “To Work or Not to Work: Student Employment, Resiliency, and Institutional Engagement of Low-Income, First-Generation College Students.” Their exploratory study’s findings suggest a positive relationship between working (on or off campus) and institutional engagement. Interestingly, students who worked off-campus had higher levels of resiliency than those who worked on campus. Although it is quite possible that more resilient students are more likely to take jobs off campus (rather than an off campus job leading to greater resiliency), this study raises intriguing questions about what characteristics of students contribute to their decisions about where to work in order to pay for school.

Last but not least, this issue of the Journal includes another new aspect—a book review. Kathy Bialk provides a brief review of Joseph Russo’s 2010 book *The Art and Science of Student Aid Administration in the 21st Century*. In her review, Bialk reflects on the contents of the book as well as what it taught her, even after her 27 years of experience in the field.

There is one additional change to draw to readers’ attention. With this issue Dr. Nick Hillman, an assistant professor in Educational Leadership and Policy at the University of Utah, joins the Journal of Student Financial Aid as Associate Editor. Nick’s own career has revolved around how students pay for college. He has written about institutional tuition discounting, higher education finance, and student loan default, to name a few topics. Financial access is an area about which Nick is passionate. He lends his expertise and passion to the Editorial Board as we embark on a journey to imagine even more ways the Journal can join rigorous research with sound practice. In future issues you will see Nick’s hand evident in the inclusion of book reviews, the evaluation of our submission processes,

and the expansion of our submission base. It is with great enthusiasm that I and NASFAA welcome Nick to the Board.

Jacob Gross
Editor

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Borrowing and Working of Low-Income Students: The Impact of a Summer Transition Program

By Mari Luna De La Rosa

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This study focuses on how low-income students determine employment and student loan borrowing options before they begin college, as part of the final stages of their college choice process. More specifically, this study asks, “during a six-week summer transition program, what choices are made by low-income students with employment or borrowing student loans at a public, four-year urban university?” Results of the study demonstrate low-income students are less likely to expect support from parents, more likely to commit themselves to employment and minimal borrowing and yet, view financial challenges as less difficult.

A persistent challenge to low-income students’ college participation and educational attainment are increased costs and growing reliance on self-help forms of aid, namely, student loans and employment. An NCES analysis (Chang Wei, 2010) of the 2007 price of college and out-of-pocket expenses indicated at four-year institutions, low-income students “can’t afford” to be enrolled based on net price (i.e., student budget minus financial aid). The average unmet need for dependent, low-income students attending full-time, full-year at four-year public universities was \$6,000. This finding is significant because perceptions of the availability of financial aid positively influence thoughts of matriculation (Choy & Ottinger, 1998). Staklis (2010) found among dependent students entering four-year institutions, 29.6% have parental family income of \$40,000 to less than \$20,000, which is the same definition of low-income used in this study. Are these low-income students able to ask for financial support from parents or guardians? Should they borrow a student loan, and/or turn towards employment?

The formation of perceptions and timing of these choices are critical in shaping students’ college experience and academic success. This takes place among three interrelated process stages of development: 1) predispositions to attend college; 2) search for potential institutions; and 3) choice among competing institutions (Hossler, Braxton & Coopersmith, 1989). In this final choice stage, students form a commitment to a certain institution, have an awareness of institutional attributes and admission standards, and develop perceptions about the quality of the institution and campus life. The choice stage is also when students ponder options for financing college.

This study focuses on self-help aid, or employment, and student loan borrowing and investigates how low-income students determine their options, as part of their college choice process. While the students in this study have made a commitment to the institution they plan to attend, they have yet to develop an awareness of their ability to pay for college expenses and how to use financial aid. This study examines the question, “during a six-week summer transition program, what choices are made by low-income students with respect to employment or borrowing at a public, four-year urban university?” This study hypothesizes that students will form choices about student loans and employment while in a summer bridge transition program.

Review of the Literature

As state and federal policies increase access to higher education, many institutions have experimented with summer bridge programs to aid new populations in transitioning from high school to college. These programs vary widely across institutions, based on each institution’s goals and perceptions of its needs (Kezar, 2000). Most programs are geared toward improving students’ academic and study skills, and easing the transition from high school to college by orienting the students to college life. Some programs, in particular, serve academically under-prepared, low-income students. Summer bridge students may be first-generation or the first in their family to attend college, have different expectations about the college environment, and great financial constraints. Hicks (2003) stresses that the transition from high school to college is a time of great challenges and changes for these students.

In addition, certain sociocultural aspects of college choice indicate that learning and acting on financial aid knowledge is a complex task for low-income and first-generation college students (Luna De La Rosa, 2006). When it comes to student loan borrowing, research demonstrates that there is an aversion to being in debt among low-income student populations. For example, Perna (2008) used data from descriptive case studies of fifteen “high” to “low” resource high schools based on student achievement and socioeconomic status. Most students at the low-resource schools and some students at the middle-resource schools typically view loans as a risky decision. In a representative comment, a student at one-low-resource schools says, “I’m not worried about the money, unless I have to get a loan because I certainly don’t want to get out of college someday in debt,” (Perna, 2008, p. 15). Hart and Mustafa (2008) examined student loans to cover net costs at a four-year public university. Their results indicated that for very poor students, net costs and the availability of family resources are substantially more important determinants of student borrowing than the costs of borrowing. Most telling, low-income students in their sample did not increase borrowing because of increased loan availability (Hart & Mustafa, 2008).

In comparison, some studies explain important motivations for employment among low-income student populations and what leads students to work. According to the American Council on Education (King, 2006), there is predictable variability in the amount of time students spend

working. Part-time students, older students, and low-income students spend more time at work. For example,

among dependent students, those from lower-income families are 66% more likely than higher-income students (41%) to state their primary reason for working is to pay tuition, fees, or living expenses and are less likely to name earning spending money or gaining work experience as their primary motivations (King, 2006, p. 3).

Bozick (2007) found that when compared with high-income students, low-income students are 74% more likely to state that they are working to pay for college and 73% more likely to forgo dormitory life to live with their parents. It is this work and living contexts that shape the transition to college. A British qualitative study that conducted 49 semi-structured interviews (Christie, Munro, & Rettig, 2001) revealed a group of “independents and strugglers” who received grants and had no or very low financial support from parents. They were acutely aware of their financial circumstances and had no choice but to generate essential living costs by seeking employment and using student loans.

Empirical efforts to date explain important dispositions towards self-help aid among low-income student populations and the context of their choices. Perhaps, there is more interconnection between employment and borrowing from the student perspective than the literature suggests. Thus, the present study will add to the current understanding on how employment and student loan borrowing are viewed from the perspective of low-income students and the impact of a summer transition program on these perceptions of self-help aid.

Methodology

The institution in the present study implemented a summer bridge program for students who demonstrate low family income and remedial scores in math and English. Low-income for this campuses' program ranges, for a family of two, \$30,500 to a family of eight, \$58,000 based on completion of the Free Application for Federal Student Aid (FASFA). In this six-week, day program, participants take four subject areas that include math, English composition, an ethnic studies course, and a summer bridge seminar. Students receive course credit for the ethnic studies course and also receive supplemental instruction that includes tutorial sessions for writing, critical reading and math.

This summer bridge seminar provides information and strategies to transition successfully into the university. By the fourth week, a financial literacy session is scheduled for two, two-hour sessions for a total of four hours. In conjunction with the financial aid office, the students learn how to access their financial aid status. They learn the campuses' financial aid process and satisfactory academic progress guidelines. They learn the difference between types of financial aid such as grants and student loans. They learn strategies on how to create and follow a budget. All in all, while the emphasis is mostly on academic and transition skills, students may ask about financial concerns as they arise during the program and have class time on financial aid.

This study examined a part of a larger program evaluation effort to determine to what extent participants not only gain skills to transition to college, but also to assess gains in college-level math and English. While the program offered a range of summer bridge activities to evaluate, this study focused on the participants' financial needs while taking into consideration participants' low-income backgrounds, which was the purpose of the financial-related questions in the student survey. The Summer Bridge Student Survey was developed by the institution and given twice, at the beginning and the end of the six-week summer bridge program in 2007 and 2008. The analysis was on responses to the questions regarding financial challenges with respect to asking parents for financial support and willingness to borrow; then, projected or estimated working hours if they planned to work; and finally, reasons for working. Data analysis proceeded in three stages: description of the sample, descriptive statistics of the financial questions and t-tests were conducted to measure the effect of the program on student's perceptions and potential behaviors regarding self-help components of paying for college.

Sample

The combined sample from 2007 and 2008 consisted of 375 entering first-year students who participated in a six-week summer bridge program at a four-year, public urban university. Average SAT score was 749 and the average GPA was 2.89. Women comprised a large majority of the sample (62.7%) and all participants were historically underrepresented minority students, most of whom were Latino/a (71.3%) and African American (12.8%). Fifty-nine percent were first-generation and 85.8% had a yearly family income of \$40,000 and below. This sample is overrepresented in comparison to the general campus population which consists of: 59%, women; 51%, Hispanic; 6%, Black; and underrepresented, 18%, Asian American/Pacific Islander. Table 1 shows the characteristics of the students in the study.

The summer bridge program started the first week of July and ended in mid-August. In week one, 28.4% or over one-fourth of the 375 program participants had a financial aid offer letter. By week six, 43.7% received an offer letter from the campus. Ninety-eight percent of the participants enrolled in the subsequent fall term.

Financial Challenges

Descriptively, participants were aware of financial challenges during the program. Table 2 shows the percentage changes from the beginning of the program to the end of the program. Results show in week one, less than one third or 31.5% were unwilling to borrow and by week six, 45.6%. Over one fourth of the students or, 27.6% in week one, indicated they would not ask their parents for additional financial help and by week six, 36.9% agreed. Interestingly, by the end of the program, participants were less likely to see financial challenges as a difficulty. In week one, 47.1% perceived that financial difficulties would be a challenge and by week six, 38.6% were less likely to agree with a percentage decrease of 8.5%. Taken

Table 1: Background Characteristics of Summer Bridge Participants, 2007-2008

Characteristic	Frequency	Percentage
High School GPA		
1.00 – 1.99	7	1.9
2.00 – 2.99	225	62.0
3.00 – 3.99	127	33.9
3.00 or more	4	1.1
SAT		
699 or less	107	29.5
700 – 799	149	41.0
800 – 899	87	24.0
900 or more	20	5.5
Gender		
Male	136	36.3
Female	229	62.7
Born in the United States		
Yes	325	90.5
No	34	9.5
First in family to go to college		
Yes	216	59.2
No	149	40.8
Race/Ethnicity		
American Indian	1	0.3
African American	47	12.8
Asian American/Pacific Islander	33	9.0
Latino/a	261	71.3
White	1	0.3
Multiracial/Other	23	6.3

Table 2: Percent Changes in Financial Challenges

Financial Challenges Statements (N = 375)	Percentage who “Agreed” to “Strongly Agreed”		Percent Change
	Week 1	Week 6	
I am not willing to borrow a student loan.*	31.5	45.6	14.1
I cannot ask my parents/guardians for additional help for college.*	27.6	36.9	9.3
Financial difficulties will be a challenge for me during my first year.**	47.1	38.6	-8.5

Notes:

*Mean differences between Week 1 and Week 6 were statistically significant at $p < .05$ level

**Mean differences between Week 1 and Week 6 were statistically significant at $p < .001$ level

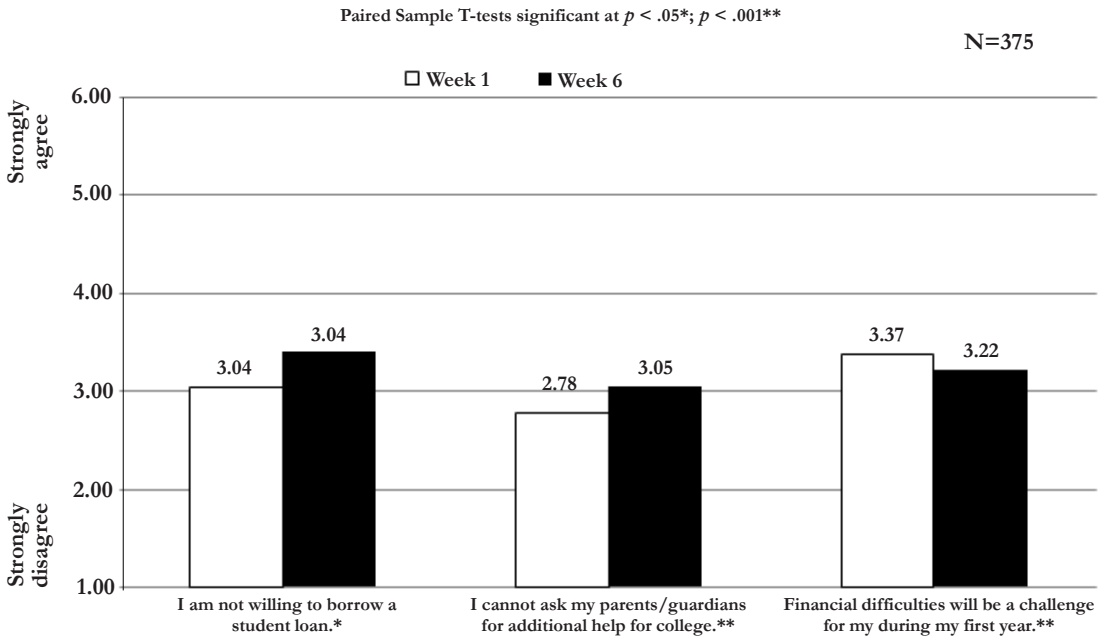
together, almost half of the students became more unwilling to borrow, over one-third would not ask their parents for financial help and yet, over one-third viewed financial difficulties as less of a challenge.

For financial challenges, t -tests analysis indicated that the group means were higher at the end of the six-week program than at the beginning. A paired samples t test revealed that the differences in pre-and post-test means were statistically significant for all statements. Results indicated that students’ “unwillingness to borrow” were significantly higher than prior to the program, $t(324) = -4.74, p < .001$. The standardized effect size was smaller than typical, $d = 0.05$. The 95% confidence interval for the mean difference was $-.526$ and $-.217$. In addition, students’ “cannot ask parents/guardians for help” were significantly higher than prior to the program, $t(332) = -4.02, p < .001$. The standardized effect size was smaller than typical, $d = 0.03$. The 95% confidence interval for the mean difference was $-.389$ and $-.133$. Finally, students’ view of financial difficulties lessened than prior to the program, $t(331) = 2.42, p < .05$. The standardized effect size was smaller than typical, $d = 0.04$. The 95% confidence interval for the mean difference was $.029$ and $.283$. Figure 1 shows the t -test analysis.

Projected Work Hours

Table 3 shows the descriptive percentage changes that occurred with projected work hours. Percentages show an increase in the hours per week, especially in the larger range categories of hours. In week one, 29.8% indicated “16 to 20 hours” and by week six, this increased to 31.3%. In week one, 8.3% indicated working “more than 20 hours” and by week six, this increased to 13%. Thus, by week six, 44.3% of this group projected they would work sixteen hours per week or more. For projected work hours, t -test analysis showed that the group means for projected working hours were higher at the end of the 6-week program than at the beginning.

Figure 1: Financial Challenges: Mean Changes and T-test Analysis



A paired samples t test indicated that the projected work hours were statistically significant. More specifically, the pre-test mean for “hours per week working” was 3.38 ($SD = 1.76$), while the post-test mean was 3.60 ($SD = 1.78$). The pre-and post-means for “hours per week working” in each category was statistically significant or $t(324) = -2.52$, at the $p < .05$ level. The standardized effect size index was smaller than typical, $d = 0.14$. The 95% confidence interval for the mean difference was $-.389$ to $-.047$.

Reasons for Work

Of the 375 participants, 265 participants or 70% were planning to work during their first year of college. To understand more what employment represented to these students, an analysis on the reasons for working was conducted on the 265 who specified they were going to work. Similar to King (2006), it is important to note that these reasons do not account for all student behavior and their employment choices. Respondents were asked to indicate whether it was a “major reason” (3), “minor reason” (2) or “not a reason for me” (1).

Table 4 shows the descriptive percentage changes from the beginning of the program to the end of the program. “Helping pay for college expenses” was a “major reason” or 60.5% with little change from the beginning of the program to the end. Similarly, “taking care of personal/family obligations” was “a major reason” or 46.7% and minimal change as well. In comparison, “earn extra spending money” had considerable change with

Table 3: Percent Changes for Projected Work Hours

During the coming school year, how many hours in a seven-day week do you think you will spend working for pay? (N=375)	Week 1	Week 6	Percent Change
None*	25.3	21.8	-3.5
1 – 5 hours*	10.7	9.7	-1.0
6 – 11 hours*	12.4	14.5	2.1
12 – 15 hours*	13.2	9.7	-3.5
16 – 20 hours*	29.8	31.3	1.5
More than 20 hours*	8.3	13.0	4.7

Notes:

*Mean differences between Week 1 and Week 6 were statistically significant at $p < .05$ level Pre-test Mean = 3.38 ($SD = 1.76$) and Post-test Mean = 3.60 ($SD = 1.78$) $t(324) = 2.52$; $d = 0.14$

45.5% indicating “minor reason” in week one and by week six, 56.1% indicating a “major reason.” By week six, this reason gained a larger percentage of responses over “taking care of personal/family obligations.” From the results, gaining work experience in some form had less importance compared to meeting immediate college needs for the working respondents.

For reasons for work, t -test analysis showed that the group means were higher at the end of the 6-week program than that at the beginning. However, a paired samples t test indicated that only the differences in the pre-and post-means for “earn extra spending money” was statistically significant or $t(242) = -3.30$, $p < .001$. The standardized effect size was smaller than typical, $d = 0.21$. The confidence interval for the mean difference was $-.249$ to $-.063$. More specifically, the pre-test mean for “earn extra spending money” was 2.33 ($SD = .656$), while the post-test mean was 2.49 ($SD = .632$). Figure two illustrates this change over six weeks.

Implications

Several important conclusions can be drawn from the study’s findings. First, the results provide some support for the main hypothesis that participation in a summer transition program can form perceptions and choices about student loans and employment. Throughout the six-week program, participants had the opportunity to ask about financial-related concerns and, by the end of the program, there was an increased number of participants who received their financial aid offer letter that contributed to their understanding. As part of the specific transition strategies provided by the program, class time spent on financial aid information helped to formulate perceptions about paying for college including student loan borrowing.

Table 4: Percent Change in Reasons for Work

Reasons for Work (N = 375)	“Not a Reason for Me” (1)			“Minor Reason” (2)			“Major Reason” (3)		
	Week 1	Week 6	Percent Change	Week 1	Week 6	Percent Change	Week 1	Week 6	Percent Change
	Help for college expenses	8.5	8.0	-0.5	31.5	31.4	-0.1	60.1	60.5
Take care of personal and family obligations	17.4	18.4	1.0	35.6	34.9	-0.7	47.0	46.7	-0.3
Earn extra spending money (clothes, snacks, gas, etc.)**	10.2	8.0	-2.2	45.5	35.9	-9.6	44.3	56.1	11.8
Gain general job experience	24.7	22.1	-2.6	40.7	42.0	1.3	34.6	35.9	1.3
Gain general job experience related to my anticipated major	27.5	35.7	8.2	39.1	42.2	3.1	33.3	22.2	-11.1
Career exploration	35.7	32.8	-2.9	42.2	39.6	-2.6	22.2	27.6	5.4

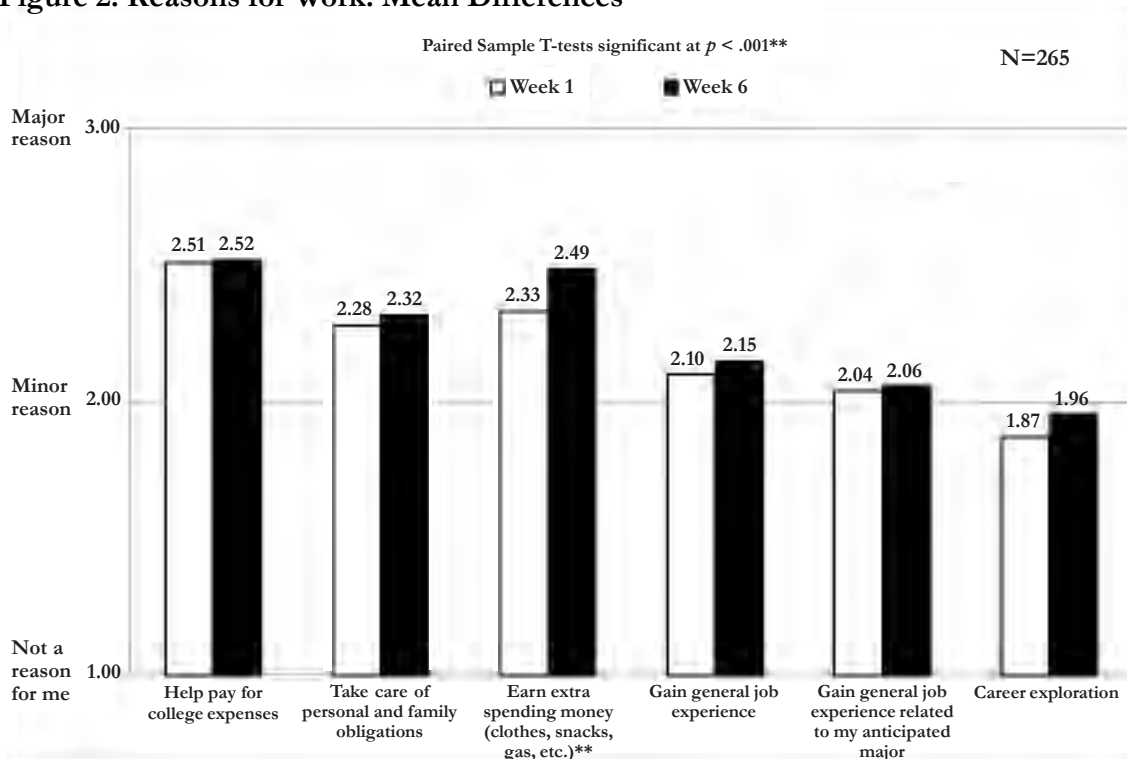
Notes:

**Mean differences between Week 1 and Week 6 were statistically significant at the $p < .001$ level

Pre-test Mean = 2.33 ($SD = .656$) and Post-test Mean = 2.49 ($SD = .632$)

$t(242) = -3.30$

Figure 2: Reasons for Work: Mean Differences



Results from the study provide evidence of the formation and timing of low-income students' choices of self-help aid, weeks before starting their first fall term. Understanding this process as part of the final stages of their college choice process provides much-needed evidence to enhance strategies and practices to advise low-income students in their choices of borrowing and employment. Assessment of their perceptions and expectations yielded statistically significant results in how options of self-help financial aid were perceived.

Second, results may point to an underlying mechanism that may explain a low-income student's predisposition towards employment and how they view their ability to afford college costs. The findings suggest that direct costs were of major concern (60.5%), followed by having some spending money (56.1%) and then, personal or family obligations (46.7%). Changes related to "earn extra spending money" were statistically significant. This is additional evidence for those who direct support programs or advise low-income students that specific costs are compelling predictors of financial choices. The standardized effect size suggests that the impact of this summer bridge program on the students' perceptions of paying for college is somewhat small. Still, these findings can be used to justify improving existing programming around these financial aid and college affordability issues.

The assessment conducted in this study has limitations since it is focused on one student population, or low-income students. Riggert, Petrosko, and Rude-Parkins (2006) suggested that smaller studies across varied settings with more homogenous groups can obviate at least some need for extensive use of statistical control strategies. However, consistent with Tinto's concerns, more homogenous groups may result in more institution-specific outcomes and likely some loss of generalizability. For this study, outcomes from a well-defined population can increase confidence in a study's validity and add to the discussion on a specific student population, namely, low-income students.

Based on the findings of this study, it is plausible low-income students choose employment as the better solution than loan borrowing to meet their immediate needs and to avoid long-term debt. It should be pointed out that there are positive aspects of employment and students who work have sharpened social skills, self-confidence, good time management and enhanced career interests (Cheng & Alcantara, 2008). With previous studies, there is a tendency to think of loans and employment as two distinct options and most studies discuss either only one or the other. It may be that student perceptions and behaviors towards these forms of self-help are interconnected and consequently, students are placing different values and choices on each. It would be worthwhile to investigate such perceptions as a potential direction for future research.

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College Debt: An Exploratory Study of Risk Factors Among College Freshmen

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The goals of this study are to examine the relationships between loan knowledge, money management skills, debt tolerance attitudes, and student income potential to their willingness to incur educational debt at a mid-western university. The current study showed that freshmen students lacked personal and general loan knowledge and had unrealistic expectations of future income at graduation.

College student loan debt has become an increasing concern in recent years. The “Freshman Finance 101” survey conducted by Harris Interactive (2005) found that 80% of parents and 83% of students anticipate they will have debt as a result of college costs. Student and family college borrowers were examined and 68% of those surveyed considered student loans as necessary and a norm for most families, although a major financial hardship (The Education Resource Institute & The Institute for Higher Education Policy, 1995). Financial knowledge is low among high school students and college students (Avard & Manton, 2005; Chen & Volpe, 2002; Danes & Hira, 1987; Henry, Weber, & Yarbrough, 2001; Jumpstart Coalition for Financial Literacy, 2006) and students often do not understand their obligations as loan recipients. Combe (2002, p.44) points out, “Most students make their borrowing decisions as teenagers but will have to live with the consequences a decade later as adult wage earners.”

As debt levels have increased, studies have focused on the effects of debt on the college graduate. The primary concern has been on students’ abilities to repay their loans (Baum & Schwartz, 2006; Harrast, 2004; Hira, Anderson, & Peterson, 2000; King & Frishberg, 2001; Pinto & Mansfield, 2006). Students who are unable to manage large debt loads may default on loan payments ruining credit records.

Concerns have been raised that undergraduate debt prevents students from buying homes, having children, or moving out of their parents’ home after graduation. Hira et al. (2000) found students with extensive borrowing believed that the size of their loan repayments would affect many future decisions including the ability to purchase a car or home. About one-fourth of the students thought that the size of loan payments would affect their decision about having children. Taylor and Overbey (1999) found many students dream of owning their own home in the future, but the reality of credit card and student loan debt will seriously jeopardize the realization of this dream.

According to Baum and Schwartz (2006), one of the major goals of student loan programs is to allow college students to borrow in the anticipation of future income. But as they point out, student borrowing decisions are based on expected future income, and even well-informed decisions may not materialize. Students often change majors in college, sometimes from a higher expected paying field to a lower paying field. Unanticipated events may occur, such as a change in health or family situations that force a student to drop out; the job market may drop and the student finds himself making less than expected. Such events lead Baum and Schwartz (2006, p. 2) to conclude, “Investments in the postsecondary education are risky.”

Attitudes about debt have changed dramatically during the twentieth century—from a general dislike and distrust of debt to acceptance of credit as part of a modern consumer lifestyle (Lea, Webley, & Walker, 1995). Borrowing for a college education, once a limited practice for students and parents, is now the norm for most families. Parents, often themselves in debt, do not see educational debt as a major threat to their children. Students and their families have accepted borrowing to pay for college as another piece of their overall debt patterns. But what makes some students more willing to take on higher levels of debt than others? How do students decide how much student loan is affordable? Financial factors are cited as important in the decision-making process of college choice, but a better understanding of the college borrower is needed to understand the role of financing in the decision-making process. It is likely that borrowing will always be part of the picture for educational financing, but more research is needed to gain a better understanding of the student borrower and their decision-making process.

Purpose and Research Questions

The purpose of this study was to explore risk factors associated with educational debt and the effects of these risk factors on college freshmen’s willingness to incur educational debt. The primary goals of this study were to examine the relationships between loan knowledge, money management skills, debt tolerance attitudes, and student income potential to their willingness to incur educational debt. The following research questions are addressed:

1. Is there a relationship between loan knowledge and willingness to incur educational debt?
2. Is there a relationship between money management skills and willingness to incur educational debt?
3. Is there a relationship between debt-tolerant money attitudes and willingness to incur educational debt?
4. Are students who overestimate their future income more willing to incur debt than students who do not overestimate their future income?
5. Can loan knowledge, money management skills, and money attitudes predict the role of cost in the decision-making process in college choice?

Methodology

The data collection instrument was a questionnaire developed by the researchers to measure students' loan knowledge, money management skills, money attitudes to debt, and future income projections.

There were five sections to the survey: 1) specific loan knowledge, 2) general loan knowledge, 3) money management, 4) debt tolerance, and 5) career and college choice. Section I consisted of 18 questions relating specifically to loans and was designed to measure the student's loan knowledge on his/her own specific loans and general loan knowledge. The loan-specific questions were based on the research by King and Frishberg (2001) and the other sections were developed based on the literature review. Seven statements were presented to participants and they indicated "true" or "false." Examples of items in the general loan section included *"You must be attending school at least part-time to keep your loan payments deferred"* and *"An unsubsidized loan is awarded on financial need."* To measure the student's loan knowledge on his/her own specific loan, questions were asked that related to who filed the paperwork, type(s) of financial aid that they are receiving, type of loan – federal or private, expected amount of debt by graduation, total amount that they expect to pay, how long it will take to pay the loan back, and the expected monthly payment on the loan.

Five questions were used to assess the respondent's money management skills. The questions were created for this survey based on the literature review of Chen and Volpe (1998), Harris Interactive (2005), and Henry et al. (2001) and personal experience. The survey questions related to how often the respondent checked their bank balances, used a formal or informal budget, paid off their credit card each month, and overdrew their banking account. Chen and Volpe (1998) reported a Cronbach alpha score of .85 on their personal finance survey. Validity of their survey was based on the evaluation of the survey by two individuals knowledge on personal finance. Reliability of their survey was based on high Cronbach alpha scores.

The debt tolerance section consisted of 12 questions related to money attitudes on debt and was based on a scale developed by Davies and Lea (1995). The scale was designed to assess debt tolerance in college students. The items were scored on a 5-point scale ranging from 1 (strongly agree) to 5 (strongly disagree) and included statements such as: there is no excuse for borrowing money, you should always pay cash rather than charging, debt is an essential part of today's lifestyle, taking out a loan is a good thing because it allows you to enjoy life as a student, and owing money is basically wrong. Lower scores indicated a greater tolerance to debt. Davis and Lea (1995) reported Cronbach's alpha of 0.79 for reliability on their debt tolerance scale.

Three questions based on the research of King and Frishberg (2001) were included at the end of the survey that related to the choice of major and perceived earnings and respondent's college choice.

Reliability and Validity

Evidence of content validity for the survey was based on previous research by Davis and Lea (1995), Chen and Volpe (1998), Henry et al. (2001), Holland and Healy (1989), and King and Frishberg (2001). Validity was further tested with a pilot test of the survey with college students. The survey was initially tested for clarity with five college students from various colleges. The survey tool was refined using input from the students. The questionnaire was also reviewed by three Eastern Illinois University professors for validity purposes. The professors agreed the survey appeared to have face validity.

After the data was collected, Cronbach's alpha was calculated to determine the internal consistency for each of the sections in the survey. Cronbach's alpha was computed for each of the three sections on loan knowledge, money management skills, and debt tolerance. Cronbach's alpha was .40 for general loan knowledge, .42 for the money management skills section, and .48 for the debt tolerance section. The small sample size may account for the low Cronbach alpha scores in this study. Given the fact that the study and the measure were exploratory in nature, the low alpha scores were considered acceptable for the current research.

Population/Samples/Procedures for Data Collection

A convenience sample of college freshmen students enrolled in a mid-sized Midwestern university was used in the study. One hundred and forty-four freshmen students living in a pre-selected dormitory complex completed the survey. Upon approval from the Institutional Review Board, the survey was distributed on three afternoons through the start of dinner at the complex's main entrance. Candy was used as an incentive to get students over to the table to explain the survey. The researchers described the purpose of the survey, answered any questions pertaining to the survey, and then asked students to complete the survey. An informed consent form was given to each participant to sign and was filed separately from the survey. Students had the option to discontinue completing the survey at any time. To provide confidentiality, students were asked to place the completed survey in a group envelope.

Results

Of the 144 college freshman participating in the survey, 86 (59.7%) were female and 58 (40.3%) were male. The university has predominately White students and the racial/ethnic composition was reflective of the participants in the study.

Research Questions Descriptive Results

Means and standard deviations for the variables used to answer the research questions were calculated and are shown in Table 1. The general loan knowledge mean score was 4.22. The mean percentage of correct answers was 60.3%, indicating that on average the participants answered a little over half of the loan knowledge questions correctly.

Table 1: Means and Standard Deviations for Study Variables

Variable	N	Min	Max	M	SD
General Loan Knowledge	133	2.00	7.00	4.22	1.08
Money Management Skills	129	5.00	43.00	9.77	4.14
Debt Tolerance	144	27.00	54.00	38.33	5.01

The mean score for money management skills was 9.77. The lower the score, the better money management skills the study participant possessed. The majority of the study participants possessed good money management skills. The debt tolerance mean score was 38.33. Lower scores indicate a greater tolerance to debt.

Average starting incomes were compared to the data from the university's Career Services 2007 Annual Report, State of Illinois Wage Data 2008 Report, and The National Association of Colleges and Employees 2007 Salary Survey. A score of "1" indicated the student unrealistically overestimated their potential salary and a score of "0" indicated the student estimated their potential income accurately or underestimated their income. Students who marked their major as undeclared were not included in the calculation.

An independent sample *t*-test was conducted to examine whether students who overestimated their future income were more willing to incur educational debt than students who did not overestimate their future income. The dependent variable in the test was students' willingness to incur debt and the independent variable in the test was the variable that indicated the overestimation or underestimation of future income. The independent sample *t*-test was not statistically significant, $t(122) = .74, p = .46$. This means that students who overestimated their future income were no more willing to incur debt than students who did not overestimate their income. Over half of the participants (50.4%) over-inflated their projected future earnings.

A logistic regression was used to determine if the independent variables (loan knowledge, money management skills, and debt tolerance) could predict the dependent variable (importance of cost in college choice). The dependent variable was assessed with survey question number 45 which asked if cost was important in the student's choice of college. A score of "1" was given to students who indicated cost was important and a score of "0" given to those students who indicated cost was not important in their choice of college.

Using the Hosmer and Lemeshow chi-square of goodness of fit test, the logistic regression model achieved an overall predictor rate of 69.2%. The Hosmer and Lemeshow test is the recommended test for overall fit of a logistic regression model and is considered more accurate than the traditional chi-square test. A finding of non-significance in the chi-square test

($p = .19$) indicated that the model adequately fit the data. Although the model theoretically fit the data, the independent variables were not significant, meaning that they did not predict the role of cost in the decision-making process in college choice for this sample. It appears, that, at least for the current sample, loan knowledge, money management skills, and debt tolerant attitudes did not affect the role of cost in students' decisions in college choice.

The current study also looked at how loan knowledge, money management skills, and debt tolerant attitudes predicted the role of cost in the decision-making process in participants' college choice. Findings revealed that loan knowledge, money management skills, and debt tolerant attitudes were not important predictors in the decision-making process in college choice (see Table 2).

Although no significant correlation was found between loan knowledge, money management skills, debt tolerance, perceived future income and willingness to incur educational debt, it should be of concern that students did not have a strong loan knowledge score and overestimated their perceived future income. Studies have shown that lack of loan knowledge and overestimating future income have been related to high student loan debt (Hira et al., 2000; King & Frishberg, 2001; Seaward & Kemp, 2000; Taylor & Overbey, 1999). The previous studies were conducted between 1999 and 2001; therefore, a difference in student attitudes towards debt a decade ago compared to the recent study could play a role in the contradiction in the findings. These student attitudes could be different based on a shift in parenting styles and the current economy.

Perna (2006) and King and Frishberg (2001) found many students are poorly informed about financial aid and do not understand the implications of educational borrowing. Marriott (2007) found significant gaps in students' basic understanding of the student loan system. In the present study students were not knowledgeable about their financial aid; students believed that they were poorly informed about their own personal student loans and student loans in general. Thirteen percent of the students did not know what type of financial aid they were receiving and of those students who indicated they were receiving some type of loan, 69.7% did

Table 2: Unstandardized and Standardized Coefficients for the Variables in the Logistic Regression Equation

Variables	<i>B</i>	Sig.	<i>Exp.(B)</i>
Debt tolerance	.004	.914	1.004
Money management	-.050	.488	.951
Loan knowledge	-.012	.947	.988
Constant	1.166	.572	3.210

not know what type of loan they had. The mean score for general loan knowledge was 4.22 which equates to a test score of a D. The current study was consistent with the research that says students lack educational loan knowledge. This lack of financial aid (loan) knowledge may be attributed to age as Holland and Healy (1989) concluded from their study. They concluded that students may not be concerned about debt management at this stage in their lives. However, as Eglin (1993) points out, it is this lack of financial knowledge and experience that can cause students to become over-indebted. Students need to be educated on loans, responsibilities, and obligations before entering college as well as throughout the college years; otherwise they may face hardships in the future because of their lack of understanding about their loan agreements.

One factor of responsible borrowing is the ability to estimate future income. In the current study over 50% of the students overestimated their future income upon graduation. Twenty-five percent of the students surveyed thought they would be making over \$50,000 at graduation. Students were also asked to estimate what they thought they would be making after five years. Over 65% thought they would be making over \$50,000 and 10% thought they would be making over \$100,000. Seaward and Kemp (2000) found students who estimated higher than average incomes after ten years in the workforce had larger student loans. Taylor and Overbey (1999) found students were accumulating debt with high expectations of future income. Students with unrealistic expectations of future income may be at risk for borrowing more than necessary and may have trouble repaying their loans later.

In past research, money management skills have been found to be poor among college students. Henry et al. (2001) believe students are living on the edge of a financial disaster because of their lack of money management skills. College students accumulating debt through student loans and credit cards may not have the financial knowledge to understand the future impact of this accumulating debt. A good money management plan includes budgeting and financial record keeping, but Henry et al. (2001) found only 42% of the students studied had a budget and none of them followed it all the time. However in this study, participants appeared to have good budgeting and record keeping skills. Over 80% of the current study's participants claimed to use a budget with 22% using a budget all the time. The study also found that the majority of participants indicated they knew how much money was in their checking accounts and checked their balances regularly. Seventy-five percent of the study participants stated they had never overdrawn their banking account. However, only five questions from the current study were associated with money management skills which may not have provided enough information to calculate an accurate money management skill score. It is also possible freshman students are still under the watchful eyes of their parents so budgeting and record keeping is controlled by the parents more than the student. Past studies have shown students with poor money management skills are more likely to accumulate larger amounts of debt (Henry et al., 2001; Marriott, 2007); thus making money management skills an important area for further study.

Earlier studies have indicated financial attitudes play a role in debt. Davies and Lea (1995) reported that higher levels of debt in college students were related to higher debt tolerance attitudes, but also that debt tolerance appeared to increase after students became indebted. The present study found students were neither strongly pro-tolerant nor anti-tolerant to debt. However, as Davies and Lea point out, the study participants' debt tolerance levels may increase as their debt increases. As with most freshmen, the study participants' overall debt amounts were relatively low at this time. In addition, the participants had the option of choosing "neither agree nor disagree" on the scale to determine debt tolerance and the majority of study participants chose "neither agree nor disagree" on 6 of the 12 statements. This may indicate freshman students have no defined attitudes on debt at this stage in their college career.

An unexpected relationship was discovered during an examination of the data from the survey. The researchers expected students who estimated above average total debt levels at graduation would also indicate they were more willing to incur student loan debt to attend college, but the opposite appeared to be happening. Students who estimated above average total debt levels at graduation also indicated that they were less willing to incur student loan debt to attend college. Correlation statistics were run between total estimated undergraduate debt and a student's willingness to incur debt. The relationship was found to be significant ($r = -.37, p = .00$). Students with higher estimated total undergraduate debt were less willing to incur student debt than students with lower estimated total undergraduate debt. This may indicate students do not want to incur debt, but they have to or perceive they have to in order to attend college. The reason for this relationship is unclear and warrants further investigation.

Since the findings disproved the assumption that a positive relationship exists between higher total undergraduate debt and willingness to incur student debt, additional correlation statistics were run to explore other explanations. The variable that indicated willingness to incur student debt was replaced with the variable that determined total estimated undergraduate debt. Correlation statistics were computed between the variable that determined total estimated undergraduate debt and the variables that indicated loan knowledge, money management skills, debt tolerance, and perceived future income. The relationship between loan knowledge and total estimated undergraduate debt approached significance ($r = .17, p = .052$). There appeared to be a relationship between loan knowledge and total estimated undergraduate debt. Students who had a low general loan knowledge score also indicated they would be graduating with above average loan debt. The correlation suggested that students with less knowledge about student loans estimated that they would graduate with higher than average total undergraduate debt. Their lack of knowledge about student loans may result in students graduating with above average student debt. No relationship was found to exist between the variables that indicated money management skills, debt tolerance, and perceived future income.

The present study did not find loan knowledge, money management skills, or debt tolerance predicted the role of cost in the decision-making process in college choice. Seventy percent of the students surveyed indicated cost was important in their choice of college, but loan knowledge, money management skills, and debt tolerance attitudes were not significant in the logistic regression that was conducted. Although the Hosmer and Lemeshow test indicated loan knowledge, money management skills, and debt tolerance can be used to predict the role of cost in the decision-making process in college choice, the small sample size from one college may not have provided enough statistical power to determine that these variables contributed to this decision.

The current study showed that freshmen students lacked personal and general loan knowledge and had unrealistic expectations of future income at graduation. Each can be a contributing factor in overall student loan debt and should be addressed. Understanding the student borrower is the first step in the development of programs to educate future students on debt prevention.

Recommendations

Few studies have focused on why some students are more willing to incur educational debt than other students. Continued research is needed to identify student risk-factors in the accumulation of student debt. Future research would be enhanced by including more freshmen from a larger number of universities, both public and private, as well as the exploration of other possible risk-factors that may also influence a student's willingness to incur debt. The utilization of interviews and focus groups would enhance a self-reported questionnaire and provide broader depth on the research topic. A longitudinal study design that followed students' educational borrowing throughout their college years would provide a more accurate assessment tool to identify the educational borrowing risk factors. In addition, a longitudinal study would offer researchers information on how maturation and experience affects students' educational borrowing and beliefs about borrowing.

The growing debt level among students graduating from college is a cause for alarm. High schools and colleges should take an active role in educating students on educational borrowing and debt prevention. Before entering college, students need to be better educated on their student loans as well as the responsibilities and obligations that come with borrowing. A policy recommendation would be to create debt prevention/education programs for high school students and their parents. Such a program would help students understand the risks of over-borrowing, teach students how to borrow responsibly, and provide students with alternatives to over-borrowing.

Post-secondary institutions also have a responsibility to help students make realistic borrowing decisions. Students are often so intent on attending the college of their choice that they lose all perspective on what it may cost financially. Colleges need to help students understand and cope with the financial implications of attending their institution. A policy recommendation is to provide on-going educational programs to college students

on responsible borrowing. Information that is student specific, such as previous loans, total amount borrowed, interest rate, grace period, repayment schedule, and monthly payments should be provided annually so that students understand what their responsibilities will be for loan repayment. In addition, students need to be counseled on what is an appropriate amount to borrow for their particular major.

Although increased education on responsible student borrowing is important, Congress must also play a role in reducing the burden of student debt. In order to help prevent students from going further into debt, Congress should make more grant aid available, institute flexible repayment plans based on majors and debt totals, and to fund financial and student loan education.

More research needs to be done. There are many questions yet to be answered pertaining to student awareness of the implications of high loan debt and student risk-factors that may affect total debt amounts. Understanding the student borrower and what makes one student borrow more than another is the first step in the development of programs to educate future students on debt prevention.

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To Work or Not to Work: Student Employment, Resiliency, and Institutional Engagement of Low-Income, First-Generation College Students

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Education at Dowling College.

This exploratory study examines the difference between two college persistence factors—resiliency and institutional engagement—for low-income, working, first-generation college students. Participants in the study consisted of 52 respondents to the Family History Knowledge and College Persistence Survey. Among respondents, 50 students reported participating in some form of employment, with 9 students in work-study, 22 students in off-campus employment, and 19 students in both work-study and off-campus employment. Data analysis shows a significant relationship between resiliency and employment type, but no significant relationship between institutional engagement and employment type. Our findings indicate students who balance academics and employment exhibit a higher resiliency toward attaining graduation.

The Federal Work Study (FWS) program was originally created by The Economic Opportunity Act of 1964 to increase employment opportunities for college students. When the Higher Education Act (HEA) of 1965 was signed into law, FWS was incorporated into the federal student aid system. The initial intent of FWS was to generate employment opportunities for low-income college students (Baum, 2010). Many low-income students work to support their educational goals and much of that work is in the form of off-campus jobs (Baum, 2010). Perna, Cooper, and Li (2007) found approximately 75% of dependent undergraduates and 80% of independent undergraduates worked while enrolled in college during 2003-2004.

As college costs continue to rise, more students may find it necessary to work while enrolled in school. Compared with their peers, first-generation students tend to be employed more hours, have lower incomes, and are more likely to have financial dependents than their non-first generation counterparts (Inman & Mayes, 1999). Though working while enrolled in college might have a negative impact on student success, resiliency and engagement may positively influence these working students' outcomes. This study explores the following question: Is there a difference by employment type with respect to resiliency and institutional engagement among low-income, first-generation college students? To answer this question, researchers studied the resiliency and engagement of low-income, first-generation students working off campus compared with those students working on campus.

Theoretical Background

The relationship between academic performance, working while enrolled, and hours worked is a matter of debate in the research literature. For example, Hammes and Haller (1983) suggest that undergraduate students who work part-time perform than those who do not work. Astin (1993), however, reported that full-time or off-campus employment was negatively related to GPA, overall satisfaction with college, and completion of the bachelor's degree. Working full-time while being enrolled in college is one factor thought to reduce the likelihood of persisting to degree completion (Phillippe, Gonzalez, & Sullivan, 2005). Meanwhile, McCormick, Moore, and Kuh (2010) found that working either on campus or off campus is positively connected to several proportions of student engagement, particularly for full-time students. Specifically, students working more than 20 hours per week have the biggest gains on student engagement.

This debate may be particularly important for first-year students and especially first-generation college students. McCormick et al. (2010) found that first-year students were more likely to work longer hours and to work off campus more frequently than other students. Compared to students who had a parent with a bachelor's degree, a significant share of first-generation students worked more than 20 hours per week (e.g., among freshmen, 20% of first-generation students versus 10% second- or older-generation students worked and among seniors, 39% of first-generation students versus 25% second- or older-generation). Furthermore, first-generation seniors were twice as likely as their peers with college-educated parents to work at least 30 hours per week (20% versus 10%). Moreover, Lundberg, Schreiner, Hovaguimian, and Miller (2007) found that first-generation students had lower levels of campus involvement, peer interaction, and investment in learning, all of which can be further exacerbated by heavy student employment workloads. Similarly, Pike and Kuh (2005) found that first-generation students were more likely than their non-first generation counterparts to be academically or socially disengaged; hold more negative perceptions of the college environment and unlikely to integrate into their college experiences successfully. At the community college level, Levin, Montero, and Cerven (2010) examined working students and concluded that both positive and negative effects of engagement, or lack thereof, were dependent upon student characteristics (e.g., age, academic background, domestic status, financial status, native language, and physical condition).

Studies on student engagement indicate that academic and social activities in college have been a central theme in higher education research for some time (e.g., Astin, 1993; Pascarella & Terenzini, 2005). Within the college environment, student engagement is a reciprocal relationship between institutions and their students as they both contribute to possible opportunities of engagement. Campuses must determine the most appropriate balance for engagement opportunities (Kuh, 2009). Pascarella and Terenzini (2005) concluded from previous research that the impact of college is largely determined by a student's effort and involvement in the academic, interpersonal, and out of class experiences on college campuses. They further expounded that students are not passive recipients of institutional efforts to "educate" or "change" them, but rather bear significant responsibility for any gains they derive from their college experience.

Though colleges may provide the environment conducive for engagement, financial need can limit student involvement on campus as students invest more time off campus to financially support themselves. This premise is an important one because the need for full-time student employment may continue to rise as financial need increases. Average tuition and fees at both public and private four-year colleges and universities has increased by 38% within the past decade (Boehner & McKeon, 2003). According to information gathered by the College Board and the Census Bureau, the cost of a public four-year college education has increased by 202 percent since 1981, while the Consumer Price Index has increased only 80% (Boehner & McKeon, 2003).

This study explores whether working while enrolled in postsecondary education affects two aspects of persistence for first-generation students: *resiliency* and *institutional engagement*. *Resiliency* is

the ability to overcome obstacles by meeting challenges and finding alternative ways to accomplishment. These obstacles can include, but are not exclusive of: arenas of finance, lack of academic college preparation, administrative frustrations, and social situations as might occur in a dormitory (Miller, 2006. p.8).

And *institutional engagement* is the

informal and formal relationship with any of the following people or activities: faculty outside the classroom; other staff members (administrative and non-professional); clubs, campus activities, and recreational athletics; non-specified time spent on campus in the company of others (library, cafeteria, computer lab); and work-study and institutional employment, (Miller, 2006, p.9).

Studies on resiliency indicate students who display resilient behaviors possess the ability to “bounce back” from challenges or adversity and are able to cope with the stressors inevitable to the college student. According to Smith (2006), working students may have to decide which role, whether as a student or employee, they would want to partake in a life context. Richardson (2002) proposed that everyone has the strength to seek self-actualization, knowledge, altruism, and congruence with a spiritual source of vigor. This force, according to Richardson (2002), is resilience, which is comprised of three waves: first, the identification of resilient qualities; second, an understanding of the process of attaining these assets, which explains how assets break down and re-form; and third, innate resilience, that is identifying the motivation for resiliency through personal characteristics and the drive for self-actualization (Galligan, Barnett, Brennan, & Israel, 2010). Furthermore, research has provided evidence that resiliency can be taught (Benard, 1993). Thus, with so many college students working, it is imperative that faculty and staff become more informed about the relationship between employment and both student engagement and educational outcomes (McCormick et al., 2010).

Methodology

In this study, differences between employment types and the resiliency and institutional engagement among low-income, first-generation college students was investigated. The dependent variable indicated whether a student participated in work-study, worked off campus, or was employed both in a work-study and off-campus job. An analysis of variance was used to ascertain mean differences. Data were obtained using the Miller's (2006) Family History Knowledge and College Persistence Survey, which is provided in the Appendix.

This study surveyed 60 low-income, first-generation college students participating in a Student Support Services (SSS) program at a private, four-year, not-for-profit, non-selective, tuition-driven college located on Long Island, NY. Eligibility for participation was subject to Federal TRIO low income guidelines provided in SSS legislation and regulations according to HEA. Of the 60 surveys distributed, 52 were completed representing an 86.7 % return rate. The subjects were traditional-aged college students who all had similar financial aid packages. For descriptive purposes, the gender composition was 35 females and 17 males. The ethnic composition was 19 Black, 24 Hispanic, 6 White, 1 Asian, and 2 students reported more than one ethnicity. Academically, 7 students had a GPA below a 2.0, 33 GPAs were between a 2.0-2.99, and 12 students were above a 3.0. Regarding class standing, there were 12 freshman, 15 sophomores, 17 juniors, and 8 seniors.

For purposes of this study, first-generation students are defined as students with neither parent earning a bachelor's degree. First-generation college status was determined through enrollment documents signed by students in the SSS program, and then verified by other indicators of first-generation status appearing in institutional student records. Income was determined through institutional records derived from student and parent information provided on the Free Application for Federal Student Aid (FAFSA) and participation in the federal TRIO program. Of the 52 survey respondents, 50 students reported participating in some form of employment, with 9 students in work-study, 22 students in off-campus employment, and 19 students in both work-study and off-campus employment. Two students reported no employment.

An internal consistency estimate of reliability using Crohnbach's Alpha model was performed on the 10 items of the Miller (2006) survey instrument that defined resiliency (reliability = 71%). A second internal consistency estimate of reliability using Crohnbach's Alpha model was performed on the 11 items of the survey instrument that defined engagement (reliability = 63%). The Crohnbach's Alpha values indicated no significant gain or loss in reliability percentage for any of the items in either variable (see Table 1).

Table 1: Subscales of the Family History Knowledge and College Persistence Study

Subscale	Item Numbers	Range of Scores
Resiliency	1, 3, 5, 11, 16, 28, 32, 34, 41, 47	10-50
Institutional Engagement	2, 6, 8, 10, 13, 23, 26, 30, 36, 38, 46	11-55

Results

A one-way analysis of variance (ANOVA) was conducted to evaluate the relationship between employment type factor and resiliency and institutional engagement. In Table 2, the ANOVA applied to this data yielded statistically significant results for resiliency $F(2, 48) = 7.663, p = .001$, as did a test for homogeneity of variance (Levene Statistic = 3.95, $p = .026$). Results for engagement $F(2, 43) = 1.53, p = .23$, yielded no statistical significance.

Descriptive statistics indicated higher means for resiliency ($M = 43, SD = 4.10$) as compared to the means for engagement ($M = 37, SD = 5.43$). A mean score of 43 on a scale from 10 to 50 for 10 items measuring resiliency indicated the students agreed for resiliency. A mean score of 37 on a scale from 11 to 55 for 11 items measuring institutional engagement indicated the students slightly agreed with institutional engagement.

Additionally, a post-hoc test was conducted to evaluate pairwise differences among the means in resiliency using the Scheffé test. There was a significant difference in the means between students employed in work-study and students employed in off campus work. There was also a significant difference in the means between students engaged in both off-campus and work-study employment. The results indicate greater resiliency among students employed off campus and those who worked both off campus and work-study than among students employed in work-study alone. The 95% confidence intervals for the pairwise difference, as well as the means and standards deviations for the three employment types, are reported in Table 3.

Discussion

The study examined the relationship between forms of work and resilience and institutional engagement among low-income, first-generation college students. Findings from the analysis indicated a significant relationship for resiliency and employment type. Interestingly, students who had only on-campus, work-study jobs (compared to off-campus or off-campus/work-study employment) reported significantly lower levels of resilience. This suggests that students who do not work on campus (or on campus alone) are able to “bounce back” and navigate challenges while attending college. Because low-income, first-generation college students are less likely to have parental financial support, it is important for them to maintain either on-campus or off-campus employment.

Table 2: Relationship Between Employment Type and Engagement and Resiliency

		<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>p</i>
Engagement 11 items	Between Groups	83.07	2	41.53	1.53	.23
	Within Groups	1109.36	41	27.06		
	Total	11.92.43	43			
Resiliency 10 items	Between Groups	202.46	2	101.23	7.66	.00
	Within Groups	607.67	46	13.21		
	Total	810.12	48			

Table 3: Resiliency Averages for Three Employment Types

Employment Type	<i>M</i>	<i>SD</i>	Work-study	Off campus
Work-study	39.22	5.31		
Off campus	44.05	3.58	1.16 to 8.49	
Both	44.79	2.64	1.85 to 9.29	-2.17 to 3.65

Note: 95% Confident intervals of pairwise differences.

We found that the low-income, first-generation college students had a mean score of 37, which is in the *slightly agreed area* for institutional engagement. Based on our data, we concluded that the participants were somewhat engaged with the institution. Prior research has shown that first-generation students had lower levels of campus involvement, peer interaction, and investment in learning due to heavy student employment workloads (Lundberg et al., 2007).

The post-hoc test concluded that students who engaged in off-campus employment exhibited more resiliency than work-study students. The students who worked off campus had a mean of 44.05 compared to work-study students' mean of 39.22. Low-income, first-generation students who work off campus exhibited the persistence necessary to earn their degree while balancing their course load and employment. It can be very difficult to be a full-time or part-time student and maintain employment, but these students are resilient. They may be able to overcome obstacles because they are able to see the “bigger picture” of graduation.

Pike, Kuh and Massa-McKinley (2008) found that there was a negative relationship with students working more than 20 hours a week while

enrolled in college. Yet, with the rise in college costs, it has become the norm for students to work and attend college. In Pike et al. (2008), 68% of all college students worked during the academic year, and one-third of these students worked more than 20 hours per week. “Despite the fact that many in higher education believe that working for pay hinders student success, research has failed to find a consistent relationship between work and grades” (Pike et al., 2008, p.561). Thus, it is possible to conclude that the relationship between work and grades is mediated by intervening college experiences.

Limitations and Conclusion

This study is not without limitations. The outcomes apply to only undergraduate students participating in the SSS program at a non-selective, tuition driven, four-year, and private institution on Long Island, NY. Additionally, the subjects themselves signified an additional limitation as they participated in the SSS program. The very nature of this involvement reveals interest in seeking support that garners and fosters institutional engagement by developing stronger relationships with college personnel.

The data suggests that students who work either on or off campus have a slight positive relationship with several dimensions of student engagement (McCormick et al. 2010). In other words, low-income, first-generation student engagement levels are slightly higher, though not as high as resiliency, when they also have to balance work obligations; as it is important for them to be successful students and also be able to support themselves financially. Due to tuition increases at public four-year colleges coupled with the need for assistance in covering their educational expenses, it is valuable for low-income, first-generation students to get a job and maintain that source of income while attending college (Boehner & McKeon, 2003).

Even though Astin (1993) reported employment negatively affects GPA, low-income, first-generation students do not have the option to forego employment while attending school. Because these students are not receiving enough financial aid and/or financial support from home to cover their college expenses, working while in school is the only way for them to persist to graduation. By working their way through school, these students are more resilient and engaged with the college and/or university community. It is important for faculty and administrators to provide support and guidance to these students through mentorships, tutoring, and campus programs. These efforts will assist with retention and enrollment of low-income, first-generation students at post-secondary institutions.

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Appendix

FAMILY HISTORY KNOWLEDGE AND COLLEGE PERSISTENCE SURVEY

Survey No. _____

Please circle the answer that best fits *your* information about college.

A. When I started college, my intent was

1. To see what college is like but not necessarily complete a degree
 2. To achieve a bachelor's degree
 3. To achieve a master's degree
 4. To achieve a doctorate degree
 5. Other
-

B. My current educational intent is

1. To see what college is like but not necessarily complete a degree
 2. To achieve a bachelor's degree
 3. To achieve a master's degree
 4. To achieve a doctorate degree
 5. Other
-

C. Regarding college, I expect to

1. Drop out temporarily
 2. Transfer before graduating
 3. Graduate from _____ College
 4. Other
-

D. My employment during college has been

1. Work-study
2. Off campus employment
3. Both
4. Neither

E. My place of residence during college has been

1. Dorm
 2. Home (off campus residence)
 3. Dorm and home (or off campus residence)
 4. Other; please explain
-

F. Please circle *all* the items indicating the way you interact with others at _____ College.

1. faculty outside of class
2. administrative and staff personnel
3. clubs
4. campus activities
5. recreational athletics
6. "hanging out" in the cafeteria
7. "hanging out" in the computer lab
8. studying in the library

Please complete these questions supplying information about your family.

G. How many of your grandparents have you known? _____

H. How many of your great grandparents have you known? _____

I. My family's ethnic heritage is (Please list all): _____

J. The religion in which I was raised is _____

K. In my home **now**, I live with (use other side of page if needed):

Name	Relationship

Please circle the number that best applies to each statement.

Strongly Disagree (SD = 1)

Disagree (D = 2)

Unsure (U = 3)

Agree (A = 4)

Strongly Agree (SA = 5)

	SD	D	U	A	SA
1 I try harder if a task is very difficult.	1	2	3	4	5
2 I like being involved in activities at my college.	1	2	3	4	5
3 I want to graduate from the college I am currently attending.	1	2	3	4	5
4 My parent(s) persist in goals they set.	1	2	3	4	5
5 I can usually overcome obstacles.	1	2	3	4	5
6 I have attended club meetings at my college.	1	2	3	4	5
7 Family members treat me differently because I am a college student.	1	2	3	4	5
8 I prefer work-study to off campus employment.	1	2	3	4	5
9 I am confident I have made the right decision in choosing to attend _____.	1	2	3	4	5
10 I am involved in student government at my college.	1	2	3	4	5
11 I like to try new things.	1	2	3	4	5
12 My education at _____ will help secure future employment.	1	2	3	4	5
13 I like to spend time in the cafeteria.	1	2	3	4	5
14 I would appeal to a committee if I had a problem at my college.	1	2	3	4	5

15	My grandparents persist in goals they set.	1	2	3	4	5
16	I am the one in control of my life.	1	2	3	4	5
17	Ideas I learn from my family have determined my personality.	1	2	3	4	5
18	I have changed my religious ideas since becoming a college student.	1	2	3	4	5
19	My parents tell me stories about my grandparents or great grandparents.	1	2	3	4	5
20	It is very important for me to graduate from _____ as opposed from some other school.	1	2	3	4	5
21	My grandparents or great grandparents tell me stories about our family history.	1	2	3	4	5
22	I have changed my image since being a college student.	1	2	3	4	5
23	I talk to my professors outside of class.	1	2	3	4	5
24	I am ashamed when others see me with my parents in public places.	1	2	3	4	5
25	I enjoy the stories my grandparents or great grandparents tell me.	1	2	3	4	5
26	I participate in extracurricular activities in college.	1	2	3	4	5
27	I am inspired by the achievements of my ancestors.	1	2	3	4	5
28	I have learned to overcome obstacles from my relative's stories.	1	2	3	4	5
29	I will stay at my college even if it does not offer the exact major I want.	1	2	3	4	5
30	I like working off campus better than on-campus.	1	2	3	4	5
31	My parents or siblings make fun of the words I use.	1	2	3	4	5
32	I ask for help when I need it.	1	2	3	4	5
33	Courses I take in school make me think of new ideas.	1	2	3	4	5
34	I would find a way to pay expenses in order to stay at my college.	1	2	3	4	5
35	Views I have learned at college are negatively affecting my relationship with my family.	1	2	3	4	5
36	I like talking to various people who work at my college.	1	2	3	4	5
37	I feel I belong at [name of institution].	1	2	3	4	5
38	I attend student events at my college.	1	2	3	4	5
39	I can recognize themes and patterns through generations of my family.	1	2	3	4	5
40	If I needed to stop attending school, I would eventually return to my college.	1	2	3	4	5
41	I am proud of my ability to juggle home, work, and school schedules.	1	2	3	4	5
42	Immediate family members have accepted changes in me since attending college.	1	2	3	4	5
43	I put my family's needs before my education.	1	2	3	4	5
44	My college can give me the education I want.	1	2	3	4	5
45	I have changed my political views since becoming a college student.	1	2	3	4	5
46	I have role models in college.	1	2	3	4	5
47	I am determined to reach my goals.	1	2	3	4	5
48	I focus on my future.	1	2	3	4	5
49	I have learned about participating in activities from family stories.	1	2	3	4	5
50	My close friends rate _____ as a quality institution.	1	2	3	4	5

Book Review: *The Art and Science of Student Aid Administration in the 21st Century*

By Kathy Bialk

Kathy Bialk is director of student financial assistance at Marshall University.

Joseph A. Russo has been involved in financial aid administration as a practitioner, trainer, teacher, and mentor since 1965. *The Art and Science of Student Aid Administration in the 21st Century* (Russo, 2010) was written following his experience as a Visiting Fellow in 2006 at New College, Oxford University; it expands upon ideas and information presented in his publication, *Student Financial Aid: Lessons for UK from the US* (Russo, 2007). According to Russo, the goal of *Art and Science of Student Aid* “is to map out in simple terms the policies and procedures by which student financial aid has emerged in the United States and how it is administered today” (p. xviii). His intention is to inform, foster further thinking and analysis of public policy as it relates to higher education access and affordability, and inspire further research and debate.

Upon reading the title and brief description on the back cover of the book, I had a preconceived idea of its content. Because my perspective is derived from a practitioner’s point of view, I thought it would be more about what I already know and understand from my 27 years of financial aid experience working in different sectors of higher education. I expected the book to be about the day-to-day or functional work we do following laws, regulations, and policies helping students secure financial aid resources to access higher education. With the exception of a discussion about how financial need is determined and how financial aid packaging may be handled, Russo’s book does not explore the minutiae of student aid administration. Instead, it went far beyond what I expected. This publication is not only about financial aid administration but also about higher education financing. The author’s discussion takes a holistic approach to examining financial aid administration in the 21st century. It is an in-depth analysis of financial aid policies and higher education cost controls, pricing, performance, and accountability. It also points out the challenges of change, complexity, competition and college rankings, tuition discounting, and student debt.

The essence of Russo’s thesis is that financial aid administrators’ basic goals and mission should not focus solely on student aid but also on higher education in general. He states that America’s successful but uncoordinated and overlapping set of student financial aid programs are repeatedly questioned as to their value, how they are being administered, and who is receiving the financial benefits. In each chapter, Russo explores important topics, reviewing and highlighting the various aspects of policies and procedures involved in higher education financing. He begins with a historical survey and explains how higher education has evolved into a complex patchwork of opportunities. Russo discusses many of the successes, failures, and challenges of higher education financing. He points

out the major tenants, which include the fundamental principles and assumptions upon which early student aid policy was based.

The author devotes much attention to the topic of financial need. He explains in detail the methodologies used to measure a family's ability to pay, commonly referred to in the industry as the Expected Family Contribution (EFC). Russo, in a step-by-step discussion, compares the differences between two methodologies: federal (FM) and institutional (IM). FM is the standard formula by which all postsecondary institutions must use to determine federal student aid eligibility; it is also widely used by states to determine a student's state aid eligibility. Schools that use IM require students to complete the CSS/Financial Aid PROFILE® application, which collects more data than the U.S. Department of Education's form, the Free Application for Federal Student Aid (FAFSA). The FAFSA is the only application that may be used to determine students' federal student aid eligibility. Many readers could very well wonder why Russo dedicates significant space explaining IM when so few of Title IV participating postsecondary institutions require students to complete this application in addition to the FAFSA. Because I practiced financial aid administration prior to the existence of the FAFSA and FM, I understand the fundamental differences between FM and IM and have an appreciation for the point Russo offers in comparing the two methodologies. One of those fundamental differences of FM and Im is that "the tax system itself is filled with legal loopholes for reducing personal income tax liability" (p.12), which lowers Adjusted Gross Income, allowing some families to appear financially needy when in actuality they are not.

According to Russo, there are certain major dynamics that have greatly changed the manner in which higher education is financed and managed through tax credits and charitable contribution deductions. Student aid financing has been typically administered directly to the students in the form of financial aid awards. Less commonly known is that federal and state governments provide significant support for all not-for-profit educational institutions, including tax exemptions and charitable contribution deductions. In addition, for more than a decade, the government has been providing indirect support to pay for college costs through tax policy—giving tax credits and deductions to families for paying tuition, fees, and books. The cost of this is lost revenue to the government treasury, but the reduced tax liabilities benefit the vocal middle, and especially upper-middle, income families (pp. 48 – 51).

Russo points out that the financial aid profession has grown and changed immensely and so has the research and data on trends in student aid; effectiveness of one kind of program versus another, success rates of students from various backgrounds or those enrolled in certain kinds of institutions, and characteristics of student aid administrators. Moreover, some institutions study enrollment patterns of students as the basis for redirecting student aid resources in more strategic ways.

Russo is at his best when highlighting and discussing many of the successes, failures, and challenges of higher education financing, but I feel

he did not delve into the concept of professional judgment deeply enough. Though the act of professional judgment is an art—as Russo so aptly describes—he does not do enough to illustrate the complexity, the frequency, and variety of ways financial aid administrators practice that art. Despite this shortcoming, Russo’s book is an excellent resource with immense value. This publication helps put a number of student aid policy issues in context. It explains the differing views on financial aid matters, describes why they occur, and considers some of their subsequent consequences. In an effort to find a reasonable balance between the “good” and “the not always so good” U.S. models for providing higher education, the author’s discussion serves primarily to inspire further research and debate related to the difficult issues of affordability and the role of student aid, which abounds with conflicting and expensive policies, confusion, misunderstanding, and discouragement.

To be sure, Russo is a consummate financial aid professional who clearly understands the meaning of art and science:

The true artist is quite rational as well as imaginative and knows what he is doing; if he does not, his art suffers. The true scientist is quite imaginative as well as rational, and sometimes leaps to solutions where reason can follow only slowly; if he does not, his science suffers (Asimov, 1983)—

And he has clearly articulated that student aid in the 21st Century is both an art and a science. *The Art and Science of Student Aid* is a critical read for financial aid professionals: the book offers numerous stimulating and interesting questions that we should consider, help answer, and, should attempt to have greater influence on the direction of student aid policy. Indeed, Russo has strengthened and expanded my understanding that financial aid policy must be viewed holistically—not just in terms of student financial aid but in the overall context of higher education.

Financial aid administrators are not the only group who should read this publication, but also the senior administrators and presidents of postsecondary institutions.. With a greater appreciation of financial aid administrators culled from this book, college and university presidents and other members on the executive cabinet would less likely view financial aid professionals as “technocrats” but rather as “strategic thinkers” who are capable of contributing immensely to sensible and prudent student aid policy making at all levels: institutional, local, state, and federal. Most importantly, I concur with Russo’s assertion that student aid policy makers should insist on the review of sound research evaluation and see the actual impact of programs and practices before making decisions rather than reacting to the noises and responding to the distractions often accompanying the shorter view. Reading this book is a good start.

References

Asimov, I. (1983). *The Roving Mind*. Buffalo: Prometheus Books.

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Russo, J. A. (2010). *The Art and Science of Student Aid Administration in the 21st Century*. Washington, DC: NASFAA.

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The *Journal of Student Financial Aid* invites the submission of manuscripts that report original research or discuss policy or position issues. The Editorial Board also welcomes correspondence about financial aid issues or articles and letters appearing in the Journal.

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Authors should present their material in clear and concise language appropriate for the general reader as well as financial aid administrators. Attention should be given to the use of proper English. The presentation and development of the theme should be orderly, avoiding irrelevancies and wordiness. Generally, articles are structured into segments with headings that suggest the logical progression from introduction to conclusion. Headings reflect the manuscript organization and denote the relative importance of each topic.

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A research article should begin with an introductory statement of purpose, which does not have a heading. It should proceed with a discussion of recent and related research, followed by a presentation of the methodology. The analysis of the evidence follows, then conclusions and implications directly related to the evidence presented.

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Statistical data should be summarized in the text. Figures and tables must be clear, comprehensible, and used only when they add to the presentation or when they reduce the need for a lengthy discussion in the manuscript. Particularly complex research (including statistical terminology) should be explained in an understandable way for readers not fully acquainted with research methodology and analysis. Complicated graphs should be submitted with actual plotting points indicated.

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An issue article should address a position or a perspective on a student aid policy or topic. The headings should reflect the organization of the article. The author presents the issue in the introduction, which is not headed. Unlike the components of a research article, the sections of an issue article are arranged by relationship. The sections display the perspectives of others, the evidence and logical argument, and positive and negative implications. The conclusion should suggest next steps or otherwise finalize what has been introduced and argued earlier.

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Scholarly book reviews on related topics critically examine the purpose, thesis, contentions, and methods of analysis. Thus, book reviews do not just summarize the book contents. Written in 1,000 words or fewer, book reviews evaluate the author's presentation of ideas while providing commentary on the book's contribution to the understanding of student aid and access. Strong book reviews present a discussion of the main ideas, types of sources and methods used, compelling points or shortcomings,

and how the book adds or changes current knowledge or discussions on student aid and access.

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