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Financial Literacy: Past, Present and Future Impact on College Freshmen

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Financial Literacy: Past, Present and Future Impact on College Freshmen

(TITLE)

BY

Jennifer Monkman

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Abstract

This study researched the financial literacy of first-year students relating to their personal finances and financial aid at a rural, Midwestern, four-year public institution. The participants in the study were limited to first-year students with no previous college credit. There were 97 participants in this study, with 84 participant's completing the entire survey. Results of the study indicated that overall students did have financial literacy relating to their financial aid. The results also indicated that students main and original source of financial knowledge came from their parent or guardian. Recommended for Student Affairs Professional is to create more comprehensive orientation programs that discuss students financial aid in depth and to create on campus resource centers for students to be able to utilize to help develop financial literacy. Further research recommendations are to look specifically at first generation students to determine if their financial literacy is comparable to non-first generation students. A study design that involved surveying students as freshman and again at seniors could also be conducted to see if students develop financial literacy over time.

DEDICATION

This thesis is dedicated to my family: My mom, dad, step-father, and grandparents. You instilled in me growing up that I could accomplish anything I put my mind to with a little hard work. I wouldn't have made it this far in my educational career without those early lessons and support from each of you.

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CHAPTER I

Introduction

The recent economic crisis and the rise in the number of bankruptcies reported have generated concern that young adults are not financially prepared to deal with today's complex financial reality (Chinen & Endo, 2012). The misuse of credit due to lack of financial knowledge can have long lasting effects such as being un-hirable to future employers due to a poor credit score and difficulty in financing graduate school. Reports indicate that 56% of undergraduate students receive their first credit card as a freshman in college (Heckman, 2011).

College freshman are experiencing financial freedom and independence for the first time; these two things combined can lead to poor financial choices (Cummins, Haskel & Jenkins, 2009). College expenses, beyond tuition and fees are also responsible for increasing student debt. In 2012, it was reported that the national average of student debt at graduation was $29,400 (*State by state*, 2014) and in 2010, student loan debt surpassed credit card debt for the first time in history (Avery & Turner, 2012). Student loan debt had increased from $852 billion dollars to $872 billion dollars in 2011("*Student loan debt keeps mounting*", 2012). With the amount of student loan debt and other student debt accumulating it is important that college freshman are aware of the impact of their financial choices.

Rising tuition costs and lack of federal and state funding has created the perfect storm in higher education. State appropriations for higher education have gradually declined since 1978 (Chen & St. John, 2011). Federal government spending on higher education has been reduced. The federal government used to provide 80% of universities funding and that number is now closer to 30% and as low as 15% at major public universities (Williams, 2006).

Financial aid continues to be an integral part in affording college for many students. In the 2007-2008 school year, $96 billion dollars in federally supported financial aid was awarded throughout the nation (Perna, 2008). Student loans are the most common type of financial aid awarded to students to finance college. First year students are eligible for up to $5,500 in subsidized or unsubsidized loans alone. These loan amounts are significant and the amount students can borrow increases every year they are in school. Financial knowledge has the most impact on college students' financial habits (Heckman, & Grable, 2011). The student's lack of financial knowledge can impact other areas such as academics or emotional health. In order to finance their education students may be required to seek employment leaving little time for school, which can create additional anxiety. It is important to examine where these students are getting their financial information and that the knowledge they are getting is correct.

The issue of access to higher education is also important. Funding is an essential part of coming to college and most students do not find out what kind of aid they will receive until after they have applied and been admitted to school (Heller, 2006). For lower income students, the timing of when they receive their financial aid information could impact their decision to attend college.

Purpose of the Study

The purpose of the study was to examine influences on college freshman's financial literacy, their current financial aid knowledge and financial literacy. The results of this study can help determine what changes need to be made in preparing freshman to make educated decisions when it comes to their financial aid. The results of this study could help improve financial aid programs as well as motivate students to become their own advocates when it comes to their finances. This study also expands upon the Masters Thesis: "College debt: An exploratory study of risk factors among college freshmen and its effect on college choice" (Smith, 2008). Smith's (2008) study looked at students' attitudes and willingness to incur their educational debt.

Research Questions

This study examined influences on college freshman's financial literacy, their current financial aid knowledge and financial literacy The overarching question of the study was: What is the financial literacy of college freshman?

RQ #1.What knowledge do college freshman have about their financial aid?

Hypothesis: Students will have no knowledge about their financial aid.

RQ Question #2. Is there a significant difference in a student's knowledge about financial aid for those students who filled out their own FAFSA versus those who indicated someone else filled it out?

Hypothesis: The students who filled out their own FAFSA will have more knowledge about their loans and personal finances than those who indicated someone else filled out their FAFSA.

RQ Question #3. Is there a relationship between students' attitudes toward borrowing and their loan knowledge?

Hypothesis: Student who are knowledgeable about their loans will have a more conservative attitude towards borrowing than those who have little loan knowledge.

RQ # 4.Who influences students developing financial literacy?

Hypothesis: Parents will be the main contributing factor to students developing their financial literacy.

Significance of the Study

There is a lack of information regarding freshman's awareness of the economic impact of financial aid. Students are graduating college with an average student loan debt of about $29,400 (*State by state*, 2014)In the 2012-13 school year, 95% of students received some type of financial aid at a Midwestern University and 57.5% of aid came in the form of loans (Student Financing, 2014). In order to prepare students to be financially literate it is important that we understand their current level of financial literacy and financial aid knowledge, as well as influences in their developing financial literacy.

Limitations of the Study

The limitations of this study are student's perception of their knowledge and honesty in self-reporting their financial behaviors. This survey is limited to one Midwestern institution. This study is limited to a small sample of first year students.

Definition of terms

Financial Aid- Comes in various forms, is related to students classification (undergraduate, graduate, grade class, dependent, and independent status, full time, part time) financial need, and academic standing, and degree completion rate (Case, 2013).

Financial Literacy- The ability to read, analyze, manage, and communicate about fiscal well-being (Jorgensen & Savla, 2010).

FAFSA (Free Application for Federal Student Aid)- An application that every family seeking financial aid must complete (Lange & Stone, 2001).

Financial need- A formula, where need is calculated by taking the full cost of attendance (both direct and indirect) minus the expected family contribution (Kurtz, 2010).

Conclusion

This study explored the influences on college freshman's financial literacy, their current financial aid knowledge and financial literacy. Students are graduating college with an average student loan debt of about $29,400 (State by state, 2014). It is important that students know what their borrowing choices are and the effect these choices have on their overall student loan debt. This is important for higher education because if students can no longer afford to attend college they will be denied access to future opportunities.

CHAPTER II

Review of Literature

This literature review will explore family influences on financial literacy, current financial literacy of students, the transformation of federal aid, student debt, access and affordability of higher education, and future realities for students.

Influences on Students

This section will focus on how the family influences students' financial literacy development. The positive and negative outcomes of families influence on financial literacy will be outlined.

Family Influence. Parental socialization is a key to students financial outcomes a study conducted by Grinstein-Weiss, Spader,Yeo, Key and Freeze (2012), looked at ways parents influence their children's financial literacy and the effect it has on the student. If parents lack basic financial literacy, their children may be faced with an extreme financial literacy disadvantage. Of those surveyed, 94% of students claim that their parents are their source of financial information (Grinstein-Weiss, Spader,Yeo, Key & Freeze, 2012). Jorgensen and Salva's (2010) research was conducted in multiple states with a wide variety of students from several majors and included 420 students. Their study showed that young adults who lived in a home where the parents argued about money often were less prepared to make financial choices. Parents were perceived by students to have a direct and moderately significant influence on the students' financial attitudes. The problem with this is the information students have received from their parents may not be completely accurate. Parents have been left with the task of making sure their children are financially literate; however studies have shown many times that parents lack financial skills (Jorgensen & Salva, 2010). A parents' education has a strong correlation with student's college financing. Parents with higher education, higher education being a college degree, have a better understanding of financial aid options for their students especially with grants and scholarships. Parents' financial knowledge becomes beneficial when passed down to their children as it can help students avoid an unnecessary student debt burden. Children whose parents have had financial difficulties were more likely to follow in that same pattern (Houle, 2014). Students with wealthier parents were shielded from financial realities, which has led them to having lower financial literacy (Murphy, 2005). Serido, Shim, Mishra, and Tang's (2010) research involved 2,098 first-year university students, and revealed that the quality of parent-child communication about financial matters was the single most important predictor of students' well-being, additional research sugguests that out of all influences (parents, peer, media, and school) that only parental communication led to a negative connection with credit card debt (Pinto, Parente, & Mansfield, 2004). Parental income can also be seen as a source of financial capital that students can tap into to help finance their education (Houle, 2014). Which might indicate where students are gaining their financial knowledge. It is important to know where students acquire their financial literacy knowledge to better understand their financial thought processes. If students are receiving their information exclusively from their families that could be where poor financial habits begin. Continued research could help uncover some alternative methods to teach students about finances.

Current financial literacy of students

This section will examine students' current financial literacy. The history of financial aid will be described as well as an in depth over view of the financial aid options for students today. The current issues of access to higher education will also be outlined.

Financial Literacy. Financial knowledge had the most impact on college students' financial habits (Heckman & Grable, 2011). Due to the rising costs of tuition and rising student loan default rate, there has been an increase in financial education programs in the United States (Robb & James, 2009). As many as one half of freshman borrowed more in loans to pay for their college education (Goetz, Cude, Nielsen, Chatterjee & Mimura, 2011). This is significant as many students unknowingly made decisions that have affected their financial futures. Financial illiteracy can hurt ones chances of completing higher education degree as well as achieving other long term goals. There is a great need for programs in financial education due to Americans as a whole and college students lacking in financial knowledge (Rosacker, Ragothaman & Gillispie, 2009). Syracuse University attempted to entice their students to become more financially literate by awarding grants that provide money to students for taking a financial literacy course every semester (Supiano, 2009).

Financial literacy has been influenced by society, especially by students' parents' behavior (Chinen & Endo, 2012). Individuals who were financially literate were better able to save, budget, and plan for the future. Ninety-one percent of college students believe that financial counseling should be available to students, and 48% of those students would use the service according to research (Rosacker, Ragothaman & Gillispie, 2009). Students with low financial literacy may engage in behaviors that can have poor academic effects (Starobin, Hagedorn, Purnamasari & Chen, 2011). Misuse of loan money, spending more time working to pay bills leaving less time for studying, or dropping out altogether were examples of poor behaviors. A survey found that students who had some type of financial education course performed better on their financial fitness test (Borodich, Deplazes, Kardash, & Kovzik, 2010). This information could be an important key in making efforts to help reduce the student debt problem. A study at Texas A&M University assessed the financial knowledge of freshman. Four hundred and seven freshman students were surveyed with 20 multiple choice questions testing their general financial knowledge (Avard, Manton, English, & Walker, 2005). An 80% was the highest score, achieved by only one student, and the lowest was a zero achieved by six students. Financial literacy is essential for students to have so they are able to make good choices pertaining to their finances (Avard, Manton, English, & Walker, 2005).

History of Financial Aid. The years between 1941 and 1955 accounted for two wars that led to the creation of the GI Bill (Stanley, 2003). The intention of the bill was to provide veterans whose schooling was interrupted by the war the opportunity to return to school and finish. The bill provided assistance for tuition, books, and supplies at any institution in the United States and also provided a stipend for living assistance (Stanley, 2003). The GI Bill marked the largest contribution the federal government had made to higher education since the Morrill Acts (Stratch, 2009) that created land grant institutions.

The Higher Education Act of 1965 created programs such as Federal Work Study and the Stafford Loan programs (Stratch, 2009). The work study program helped lower income students by providing them with part-time employment on campus to help offset the cost of attending college. The student's wages are split between the federal government and the college or university.

The Stafford Loan Program originally called the Guaranteed Student Loan Program was created through the Higher Education Act of 1965 to help provide access to college with little governmental cost (Chen & St. John, 2011). Initially the program was small only lending about 12 million dollars between the years 1965 to 1978, which increased to 15-20 billion dollars per year in the 1990's and is now currently estimated at 40 billion dollars per year. This major increase is linked to the corresponding increase in tuition and fees that have occurred over the years (Williams, 2006). Bousquet (Williams, 2008) examined labor practices in higher education and found that a student who worked 15 hours a week per year in the 1960's year and 40 hours a week in the summer would have been able to pay their tuition at an Ivy League school. In addition it was noted that a student would have to work 52 hours a week to afford tuition at a public university and 136 hours per week to afford tuition at an Ivy League institution.

Previous to 1990, the federal government shared the responsibility with states when it came to subsidizing college students' education to ensure equal opportunity for all. There has been a 40% decline in state appropriations since 1978 (Chen & St. John, 2011) and the federal government's spending on higher education had been reduced even more. The federal government funded about 80% of college and universities and financing is now closer to 30% and as low as 15% at major public universities (Williams, 2006). In the past, state funds were allocated to public universities to help keep costs low, however, there has been a shift towards sharing the costs between states, students, and families. This shift led to need-based financial aid such as the Pell Grant. However, even funding for the Pell Grant has started to shift and more money is allocated towards subsidized loans. This shift was the beginning of a change in ideology from equal access to individual responsibility (Chen & St. John, 2011).

These changes have been noted in the Stafford Loan program as well. The Subsidized Stafford Loan is offered for students who are enrolled at least half time in school, the payment is deferred, and no interest is accumulated while the student is enrolled in six credit hours (Avery & Turner, 2012). The subsidized loan was created for lower income families, and is need based as determined by the FAFSA, as a way to keep college affordable. In 1992, the government created the unsubsidized Stafford Loan for students who did not meet the requirements of the subsidized loan. The unsubsidized loan begins accumulating interest while the student is enrolled and carries a higher interest rate of 6.8% (Avery & Turner, 2012). This was intended as a way to allow higher income families to borrow for college.

The number of students taking out loans to pay for school has increased from 19% in 1989 to 35% in 2007. Changes in federal aid throughout the years have led to increased tuition costs and thus increased borrowing. Student debt is an emerging problem due to the decreased federal and state support to colleges and universities and students need to be educated when making decisions.

Financial aid has various forms, based on students classification (undergraduate, graduate, grade class, dependent, and independent status, full-time, part time) financial need, academic standing, and degree completion rate (Case, 2013). There are non-need based types of aid such as scholarships, fellowships, assistantships, unsubsidized loans, and private loans, as well as need based types of aid such as grants, Perkins loans, and work study programs.

Student Loans. As mentioned there are four types of federal loans: unsubsidized and subsidized Stafford loans, parent loans (PLUS), and Perkins loans (Avery & Turner, 2012) and the use of these loans continues to increase. Tuition rates in higher education have increased making the affordability of college more difficult and, in turn, the amount of students borrowing for college has increased (Kim & McCall, 2009). Perna (2008) examined students' willingness to borrow to pay for college and found that most students were aware that loans could finance their higher education but could not describe specific loan features. In 1989, 10% of students took out loans for college, and in 2008 that number increased to 35% (Avery & Turner, 2012). This increase is significant considering the lack of financial literacy found in Perna's 2008 study. Financial aid however, continues to be an integral part in college affordability for many students. In the 2007-2008 school year, $96 billion dollars in federally supported financial aid was awarded throughout the nation (Perna, 2008).

Undergraduate dependent students, which account for most first-year students, are eligible to borrow up to $5,500 dollars for their freshman year in student loans. As dependent students, their parents are eligible to apply for a Parent Plus Loan on the student's behalf (Wang, 2010). This creates debt not only for the student but for the parent. The rising default rate on student loans, combined with higher unemployment rates and over borrowing can lead to repayment and financial difficulties. Students should use resources such as a repayment calculator when deciding how much to borrow.

Need Based Aid. Some programs based are based on financial need such as Federal Work Study, subsidized loans, and grants (such as Pell). In 2008, Congress directly provided approximately $16 billion dollars to fund the Pell grant in an attempt to give money directly to students instead of institutions (Carey, 2013). To be eligible it was necessary for students to demonstrate financial need, which is determined by subtracting the students "expected family contribution" or EFC from "cost of attendance" (COA). COA is the sum of tuition, fees, room and board, books, supplies, transportation, and personal expenses. Eligibility for state funded grants, such as the state of Illinois Monetary Assistance Program (MAP), is also determined by considering financial need.

Affordability and Access. The subject of college access is an important topic in post-secondary education. Between 1970 to 1990, upper middle class student enrollment increased by more than 20% while low income students only had a 5% increase (Ness & Tucker, 2008). Students and parents understanding of financial aid was positively related to such outcomes as college expectations (Perna, 2008). Lack of knowledge in lower income families widens the aid gap (Shea, 2003). The aid gap widens each year and leaves about 170,000 qualified high school seniors per year on the outside of the college gates. Goral's (2004) study found that 75% of young people who did not attend college might have attended if they had more information about financial aid, and 60% of families whose annual income was less than $50,000 indicated they wanted more knowledge about college financing ("Advocates call for increased awareness of financial aid", 2003). Financial aid is an integral part of college therefor it is important for students and their families to have knowledge about the different types of aid to be able to select the best aid package for students.

Heller's (2006) study reported that timing of receiving this information may be too late for low income students. Funding is an essential part of coming to college and most students do not find out what kind of aid they will receive until after they have applied and been admitted to colleges and universities (Heller, 2006). The cost of tuition has risen dramatically, but the limited availability of grants has not given students and their families the ability to make up the difference. More than 400,000 academically prepared students did not enroll in a four-year college due to lack of financial resources. Of that 400,000, 170,000 could not even enroll in a community college due to lack of financial resources (Houle, 2014). Additionally, one out of every five dependent low income students and one out of every four independent low income students failed to fill out their FAFSA. The failure to fill-out FAFSA may be linked to students and families lack of awareness of financial aid policies.

Awareness. The availability of knowledge and lack of awareness varies across ethnic groups. The lack of knowledge seems to be the most apparent for Latino and Black students. This lack of knowledge regarding college price and financial aid may be one of the hurdles towards college enrollment for underrepresented student populations (De La Rosa, 2006). Research has shown that students with a low SES are less likely to enroll in college (Kim, DesJardins & McCall, 2009). Additional research supports that low income high school students also fail to prepare for college at all due to perceptions that college is unaffordable (Tierney, 2009). Students from middle income families, with a family income of $40,000 or more, are often calculated to have a higher EFC and are typically not eligible for need based grants because their families are perceived to make too much money. Students from middle income families are also feeling the burden of college costs

(Houle, 2014). These middle income students also lack the resources that higher income families have financially when it comes to financing their education. This often leaves these students with a higher level of debt than that of low and high income family students and this is a result of the student being priced out of need based aid and their families' lack of financial resources. There has been a debate surrounding whether access issues come from a lack of financial aid or a perceived lack of financial aid, whether families believe or assume they could not afford college and do not investigate their financial aid options. Student debt has increased and 80% of adults believed that students graduate with more debt now than ever before, and 59% believe students graduate with too much debt (Perna, 2008).

Future realties for students

This section will review the future implications of financial choices students make during their college years. The student debt situation will be outlined as well as issues of repayment and default.

Student Loans. Student loans have been described as a double-edged sword (Houle, 2014). Loans for college can be viewed as a tool to bridge the gap between families' resources and the cost of attendance. It can also be viewed as a risk because it limits students' options in the future. High levels of student debt can prevent students from getting jobs, enrolling in graduate school, buying a home, or even living with parents after graduation. Student debt has become more relevant as students are struggling to find employment after graduation. Student borrowing has risen $100 billion annually and has reached the trillion dollar mark (Roksa & Arum, 2012). The total student loan debt is 1.08 trillion dollars and 11.5% of that belongs to payments at least 90 days past due or default. The delinquency rate of student loans is higher than credit card, mortgages, and auto loans. Unfortunately, for many students their loan "wakeup call" does not occur until after graduation when their debt exceeds annual salary. This debt burden also effects students' ability to buy a home, car, and save for the future. Students in loan repayment are 36% less likely to own a home than those without student loan debt (Touryalai, 2014).

Student loans are the most common type of financial aid awarded to students that attend college (Perna, 2008). In 2005, 51% of financial aid for students was in the form of a loan. Approximately 40% of people under the age of 30 carried student loan debt and the average debt at graduation was $24,000 (Clark, 2011). Roksa and Arum (2012) reported that students who had graduated from college two years ago still relied on their families for financial assistance and that 25% of them were still living at home (Roksa & Arum, 2012).

Repayment and Default. In 2010, student loan debt surpassed credit card debt for the first time in history (Avery & Turner, 2012). Students are borrowing more and accumulating more debt due to rising tuition costs (Wenisch, 2012). In 2008, 3.4 million student loan borrowers entered repayment and of that 3.4 million borrowers, 7% defaulted within a year, which was the highest percentage in a decade (Clark, 2011). Defaulting on a loan has dire consequences such as the debt being sent to a collection agency, garnished wages, and income tax refunds relinquished to the government. Student loan debt is not the only debt students tend to accumulate. Students who have graduated with bad credit have trouble gaining employment as most employers check credit scores. Low credit or bad credit has also affected graduates when it comes to renting an apartment or securing an auto loan (Heckman, & Grable, 2011). Since 2008, the US job market has been very bleak for recent graduates, meaning they have trouble repaying their debt. Heckman & Grable (2011) studied issues that new college graduates faced after leaving college. The results of the survey showed that only 56% of the graduating class from 2010 had a job by the spring of 2011. This was a 90% drop from the rate for graduates in 2006 and 2007. Student debt is a multi-factored issue encompassing student loans and credit card debt as many students graduate with more than $24,000 in student loan debt.

Summary

This chapter reviewed the growing student debt problem facing college students today, in addition to the role parents play in the financial literacy development of their college students, the issue of financial literacy. This chapter has also looked at the various forms of financial aid and described the transformation that has happened with the federal aid programs and the change from grants to loans. Additionally, an overview on accessibility and affordability in college has been provided. Chapter 3 will focus on the methods used to conduct this study.

CHAPTER III

Methods

Four research questions guided this study which were: what knowledge do college freshman have about their financial aid, is there a significant difference in a student's knowledge about financial aid for those students who filled out their own FAFSA versus those who indicated someone else filled it out, is there a relationship between students attitudes toward borrowing their loan knowledge, and who influences students developing financial literacy.

Design of the study

To gain insight about the loan knowledge of first year undergraduate students this study utilized a quantitative method via an online survey. The questions in the survey (Appendix D) were used to help gauge students loan knowledge, financial literacy, and their source of financial knowledge.

Participants

For the purposes of the study, potential participants were full time first year students enrolled in at least twelve credit hours and who are seeking an undergraduate degree. The survey was sent to 1,023 first-year students. There were 97 students who initially responded to the survey with 84 students filling out the survey completely.

Research Site

The research site is a midsized, mid-western, public four year institution, located in an urban micropolitan area. With an enrollment of 8,437 in 2013, with 1,941 students reported as freshman. The freshman class is made up of 62.5% female and 37.5% male students. Forty-four percent of the freshman at the institution identify as first generation.

Instrument

The survey was created in Qualtrics™ and sent to qualifying first-year students' university email accounts via the Information Technology Services department at the University. This study utilized The College Education Borrowing Survey which developed from a previous Masters Thesis: "College debt: An exploratory study of risk factors among college freshmen and its effect on college choice" (Smith, 2008).

Institutional Review Board

Prior to sending the survey the researcher sought Institutional Review Board (IRB) approval. The researcher filed paper work for exempt status designation. The IRB approved the research protocol for the study on November 19th, 2014 (Appendix A). Due to difficulty in recruiting participants the researcher filed an amendment to IRB protocol to offer an incentive to participants. The researcher received IRB approval for the amended protocol on January 5th, 2015 (Appendix B).

Data Collection

The survey was originally sent out in December 2014 however there were no responses were reported from December to February. The researcher offered an incentive to students in the form of a chance to receive a Starbucks gift card. There were still no responses. It was then discovered that the survey had been sent incorrectly to students, meaning the survey never appeared in students email accounts. Once the error was discovered the survey was sent in late February with two reminder emails sent.

Data Analysis

The data was then imported into Microsoft Excel, cleaned, and imported in the Statistical Package for Social Science software or SPSS©. The data imported into SPSS© were analyzed by running statistical analyses described below.

RQ #1 what knowledge do freshman have about their financial aid? The answers to questions 6-24 were used to define what knowledge freshman have about their financial aid. Descriptive statistics, such as basic frequencies, measures of central tendency, and variation were used to describe the data for these questions.

RQ#2 Is there a significant difference in a student's knowledge about financial aid for those students who filled out their own FAFSA versus those who indicated someone else filled it out? Question 7 was used as the independent variable to determine who filled out the student's FAFSA there were three options: student alone, parents alone, and parent together. For the dependent variable, questions 18-24 were used to measure the extent of the student's loan knowledge. Because these questions had an objective factual and correct response, each question was given one point per correct response and zero if incorrect. An index was then created ranging from 0 (no correct responses) to 7 (all correct responses), the higher the score the greater the students' knowledge. An analysis of variance test (ANOVA) ANOVA was used to compare mean scores on this index between students who filled out their own FAFSA, those whose parents completed their application, and those whom completed the FASFA together.

RQ#3: Is there a relationship between students' attitudes toward borrowing and their loan knowledge, questions 18-24 were again used to determine the level of loan knowledge. An index, as described above scored from 0-7 was used as the dependent variable to compare to levels of attitudes toward borrowing from loans and credit. The individual answers from questions 31-43 that gauged students' attitudes towards borrowing were the independent variables in a series of analysis of variance tests (ANOVA) to compare mean index scores between more than two groups. Questions 31-43 used a Likert scare to measure attitude towards borrowing. These items were recoded into three categories: agree, neither, and disagree. This was done by combining strongly agree and agree together, neutral, and strongly disagree and disagree together. This was done due to the small sample size of the study.

RQ#4 what factors contribute to students developing financial literacy? Data were taken from questions 45-51 which pertained to where students gained their financial knowledge. Descriptive statistics, such as simple frequencies, measures of central tendency, and variation were used to describe the data for this question.

Treatment of Data

Students who wished to receive a chance to win the Starbucks card was given the option to include their email address. The data from this study is kept on a password protected flash drive. The students were assigned a random number in SPSS© to protect students identity. The data on the flash drive, per IRB policy, will be destroyed after three years following the conclusion of the study.

Summary

By researching on freshman students awareness of financial aid, steps can be taken to see that they have all the knowledge needed to make smart financial aid choices. These steps could help these students lessen their student debt burden. The goal of the data was to see how much freshman know to better be able to fill in the gaps and better educate them in financial practices for the future. This chapter outlines the instrument being used in research, the research site, and the data collection and analyses. Chapter 4 will present the results from this study.

CHAPTER IV

Results

This chapter presents the results of the study outlined in Chapter 3. These results were used to help answer the research questions for the study.

Sample Demographics

The survey was distributed via email to 1023 freshman students. Ninety-seven students responded to the survey, but only 84 students completed the entire survey. The demographic of the sample include (See Table 1) of ages in the sample 18 and 20 years of age (94.8%), 21-22 (3.1%), 23-25 (1.0%), and one student who did not respond. 84.5% of respondents were female and 14.4% were male; one student did not respond. 75.3% of respondents were Caucasian, 11.3%were African American, 6.2% were Asian/Pacific Islander, and6.2% were Hispanic; one student did not respond.

Students were asked if they were receiving financial aid to attend college (See Table 1) The majority (84.5%) of students answered that they were receiving aid to attend college. If the students indicated they did receive aid to attend college they were asked to identify what kind of financial aid they were receiving. Table 1 shows the breakdown of what type of aid students are receiving.

RQ #1.What knowledge do freshman have about their financial aid?

The researcher hypothesized that students would have no knowledge about their financial aid. When asked if students were receiving aid to attend college only 3.1% of the participants responded with “I don’t know” while 84.5% of students knew if they were receiving some type of aid. The majority of students were also able to describe what types of aid they were receiving (See Table 1).

Table 1

Demographic Break Down

	Percentage %	Number (n)
Gender		
Female	84.5	82
Male	14.4	14
Ethnicity		
African American	11.3	11
Asian/Pacific Islander	6.2	6
Caucasian	75.3	73
Hispanic	6.2	6
Age		
18-20	94.8	92
21-22	3.1	3
23-25	1.0	1
Students Receiving Financial Aid		
Receiving Aid	84.5	82
Not Receiving Aid	4.1	4
Doesn't Know	3.1	3
Types of Aid Received		
Grants	44.3	43
Loans	60.8	59
Academic Scholarship	68.0	6
Athletic Scholarship	6.2	6
Don't Know	9.3	9
Undergraduate Debt		
$0.00	12.4	12
$0.01-$10	10.3	10
$10,000-$20,000	12.4	12
$20,001-$30,000	17.5	17
$30,001-$40,000	11.3	11
$40,001-$50,000	7.2	7
$50,001-$60,000	3.1	3
Greater than $60,000	3.1	3
I don't know	14.4	14

Table 2

Student Loan Knowledge

Correct Answer	Percentage (%)	Total Number *(n)*
1	2.1	2
2	5.2	5
3	13.4	13
4	24.7	24
5	25.8	25
6	13.4	13
7	1.0	1

When it came to knowing about the types of loans held by the participants in this study (See Table 1), only 28.9% of students did not know the type of loan they received; 30.9% of students indicated they received a Stafford Subsidized Loan, 35.1 % indicated that they received a Stafford Unsubsidized loan, 6.2% have a Private loan, and 19.6% indicated that they did not receive any loans. The students who indicated that they did not receive loans were asked about other types of aid they received and were advised to check all that applied. The duplicated count shows that 7 students received grants, 1 received an athletic scholarship, and 16 received an academic scholarship. 56.7% indicated both themselves and their parent/guardian filled out the FAFSA, 16.5% indicated their parents completed the FAFSA, 14.4% completed the paperwork themselves, and 4.1% did not fill out the FAFSA.

Based on the results of the survey, the hypothesis for RQ1 was not supported. The majority of students knew if they were receiving financial aid, as well as what types of aid they received. Students scored a mean score of 4.30 (*s*= 1.25) related to questions about general loan knowledge (See Table 2). This shows that approximately 4 questions were answered correctly and that students did have a moderate level of knowledge about their student loans. Students indicated that they wished they had more knowledge about their finances, with 61.9% of the respondents answering that they wished they knew more about their loans; 44.3% about financial aid, 34% about saving money, 34% about budgeting, 32% about personal finances, and 22.7% indicated they wished they knew more about credit cards.

RQ Question #2. Is there a significant difference in a student's knowledge about financial aid for those students who filled out their own FAFSA versus those who indicated someone else filled it out?

The researcher hypothesized that students who filled out their own FAFSA would have a higher knowledge of financial aid than those students who did not fill out their own FAFSA. A one-way ANOVA was conducted to answer this question. The results revealed that there was no significant difference (p= .881) between students who filled out their own FAFSA versus those whose parents filled out their FAFSA. This indicated that the hypothesis was not supported for research question two. Students who filled out their own FAFSA had a mean score of 4.15 (*s*= 1.62) when answering questions about general financial aid knowledge. Students whose parents filled out the FAFSA had a mean score of 4.21 (*s*= 0.69). Students who indicated that their parents helped them fill out their FAFSA had a mean score of 4.33 (*s*= 1.29).

RQ Question #3. Is there a relationship between students' attitudes toward borrowing and their loan knowledge?

The researcher hypothesized students who had higher loan knowledge would have a more conservative attitude towards borrowing than students who had little to no loan knowledge. The researcher used 13 one way ANOVA's to answer this research question. The researcher recoded the data from the debt tolerance scales into three categories: agree, neither, and disagree. Then each question on the debt tolerance scale was compared to students total loan knowledge score. The results showed there was no significant difference between students' attitudes towards borrowing and their loan knowledge for each of the 13 ANOVAs which means the hypothesis was not supported.

RQ # 4.Who influences students developing financial literacy?

The researcher hypothesized that parents were the primary influence on their financial literacy. The results showed (See Table 3) 67 %of students utilize their parents for financial advice. The majority of students (61.9%) also indicated that their parents were their original source of financial knowledge which supports the hypothesis that parents are the main source of financial information for students. Financial Aid Advisors come in second with 12.4% of students using this as a source of financial advice. Classes about financial literacy come in second as the original source of information about financial literacy with 17.5% of students indicated class as their original source.

Table 3

Financial Aid Source of Information

	Percentage (%)	Number *(n)*
Financial Advice		
Financial Aid Advisor	12.4	12
Friends	1.0	1
Parent/Guardian	67.0	67
I don't ask	4.1	4
Financial Aid Original Source		
Class	17.5	17
Financial Advisor	3.1	3
Friend	1.0	1
Parent/guardian	61.9	60
I still don't know	1.0	1

Summary

The purpose of the study was to examine the parental influences on college freshman's financial literacy and their current financial aid knowledge. It was found that students did in fact have knowledge regarding their financial aid. There were no significant findings between those who filled out the FAFSA and student loan knowledge and there were also no significant findings between student loan knowledge and willingness to borrow. Parents were identified as being students' primary source of financial knowledge and advice. In Chapter 5 the findings from this study will be discussed.

CHAPTER V

Discussion

The purpose of the study was to examine influences college freshman's financial literacy their current financial literacy and financial aid knowledge. This chapter discusses the findings, presents limitations, recommendations for future research, and overall conclusion of the study.

There were four research questions in the study. Through an online survey, 97 participants were asked about on their financial aid and loan knowledge, as well as where they gained their financial information. This chapter will discuss the findings of this study by research question.

RQ #1.What knowledge do freshman have about their financial aid?

Financial knowledge has the greatest impact on college students' financial habits (Heckman, & Grable, 2011) and one half of freshman borrowed more money to pay for their college education (Goetz, Cude, Nielsen, Chatterjee & Mimura, 2011). While the research shows that in general college students lack knowledge about their financial aid, the results of this study do not support prior research as the majority of students were able to identify the types of aid that they were receiving (84.5%). Students also scored a mean of 4.30 (s=1.25) on their general loan knowledge questions. The results of the study did not support the researchers hypothesis that student's would not have knowledge of their financial aid. This could be because of the coverage in the news and media about student loan debt which may have influenced students to become more savvy about their student loan knowledge (Birkner, 2014). It is also possible that students who had more financial knowledge completed this survey whereas those who did not may have neglected to complete the survey.

RQ Question #2. Is there a significant difference in a student's knowledge about financial aid for those students who filled out their own FAFSA versus those who indicated someone else filled it out?

Prior to this study, little research has been conducted to compare loan knowledge of students who filled out their own FAFSA versus those who indicated someone else filled out the FAFSA. This study reported that there was no statistical difference in loan knowledge for students who filled out their own FAFSA versus those who did not. The hypothesis was not supported for this question. The participants scored a mean of 4.30 (s=1.25) on their financial knowledge questions which does support a study conducted at Texas A&M (Avard, Manton, English, & Walker, 2005). A 16 out of 20 or 80% was the highest score, achieved by only one student, and the lowest was a zero achieved by six students (Avard, Manton, English, & Walker, 2005). The researcher has predicted that students who filled out their own FAFSA would have significantly higher scores than those students who had someone else completed it. A reason this may not have been supported is the small sample size and the fact that students on average answered the same amount of questions correctly.

RQ Question #3. Is there a relationship between students' attitudes toward borrowing and their loan knowledge?

Financial literacy has been influenced by society, especially by students' parents' behavior (Chinen & Endo, 2012). Individuals who were financially literate were better able to save, budget, and plan for the future. Based on the previous research, the researcher hypothesized that students who had higher loan knowledge would have a more conservative attitude toward borrowing. There was no significant difference between students who had a high knowledge versus those who had a low knowledge when it came to debt tolerance; therefore, the hypothesis was not supported. A reason this may not have been supported is the small sample size and the fact that students on average answered the same amount of questions correctly. It is also possible that students are taking more interest in their student debt as it is been a topic heavily covered in the news and media (Birkner, 2014).

RQ # 4.Who influences students developing financial literacy?

Parental socialization is a key to students' financial outcomes (Grinstein-Weiss, Spader, Yeo, Key & Freeze, 2012). In a study conducted by Grinstein-Weiss et al (2012), the researchers examined parents influence on their children's financial literacy. If parents lack basic financial literacy, their children may be faced with a financial literacy disadvantage. Of those surveyed, 94% students claim that their parents are their source of financial information (Grinstein-Weiss et al, 2012). Jorgensen and Salva's (2010) research was conducted in multiple states with a wide variety of students from several majors and included 420 students. Students perceived that their parents had a direct and moderately significant influence on their financial attitudes. Current research in this study supports the previous research as the majority (67.0%) of participants indicated that parents were by far the biggest source of financial information for freshmen students.

Limitations

The small sample size was the main limitation to the study. This survey was sent to 1,023 freshman students 97 responded with only 84 answering every question. The survey also only focused on the freshman and did not survey students from other populations. There was also an error in the distribution of the survey as it was incorrectly sent out by Information Technology Services for over two months. Students were not receiving the survey due to the error by Information Technology Services. The late discovery of this error was a contributing factor in the small sample size. Self-reporting is also a limitation of the study. While students were assured of confidentiality there is a risk of students answering what they consider to be the ideal answer to be (Peer, Eyal, Gamliel & Eyal, 2011). The quantitative design of the study can also be a limitation, as students were not asked to elaborate on their responses to survey questions.

Recommendations to Student Affairs Professionals

Based on the findings from this research, the following recommendations have been provided for student affairs professionals. Colleges and universities need to provide more in-depth financial counseling for their students. Although students did have some knowledge of their financial aid and financial literacy, 61.9% indicated that they wish they had more knowledge about personal finances, for example credit cards. Students may have some financial knowledge coming into college but they want to gain additional information. This aligns closely with previous research where it was found that 91% of college students believed that financial counseling should be available to students (Rosacker, Ragothaman & Gillispie, 2009). Institutions could create financial aid counseling just for incoming students during orientation. This could include information about budgeting and future career salary and loan payment amounts which could help students borrow money wisely. A resource center on campuses would also be beneficial to students. The center could have information for students on balancing checkbooks, making a budget, or how to file their taxes. Some institutions have already created such programs. Eastern Illinois University has a Literacy in Financial Education Center (www.eiu.edu). The Life Center has resources for students so they can learn skills such as balancing checkbooks, student debt management, and even has resources about buying a car. Texas A&M has the Money Wise Aggie Program. The Money Wise Aggie program offers students free workshops on money management and provides students with resources regarding financial literacy. Student can also make individualized appointments for one on one help (www.tamu.edu). Iowa State University has the Iowa State University Financial Counseling Clinic. The Financial Counseling Clinic is a resource open for students to learn about money management, credit cards and even information about taxes (www.iastate.edu).

Recommendations for Further Research

Student debt will to continue to be a problem as long as tuition increases and more research is needed to determine the impact of this debt. This study focused only on freshman from one Midwest institution. Future studies should be expanded and widened for other populations besides freshman at multiple institutions. A study utilizing both pre and post-tests about their financial knowledge and attitudes could be conducted to see if students developed financial literacy during college. Qualitative research on this topic could be also conducted using interviews and focus groups. Which would allow for richer data and for the researcher to be able to ask follow up questions. Research could also be conducted to compare first generation students' knowledge versus non first generation students' knowledge as well as the impact of the news and media.

Summary

Chapter 5 presented the discussion of the quantitative results of a research study examining influences college freshman's financial literacy their current financial aid knowledge, their awareness of the future impact their financial choices have on their future. Previous research indicated that a lack of knowledge led to student's having poor borrowing choices which can negatively impact a student's future. The results of the study answered the four research questions. RQ1 hypothesis was not supported as students did have knowledge about their financial aid. RQ2 and RQ3 were proven to have no significant findings that could be due to the small sample size of the study. RQ4 aligned with previous research that showed parents as being the most influential on students' financial literacy. Recommendations for student affairs professionals were to have an in-depth orientation and counseling on the financial aid process as well as on campus resource centers for students. Recommendations for further research include qualitative research to get richer data from participants and also to administering a pre and post-test on financial aid knowledge to see if students leave with more knowledge about their finances than when they came to school.

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Appendix A

November 19, 2014

Jennifer Monkman
Counseling and Student Development

Thank you for submitting the research protocol titled, "Financial Literacy: Past, Present, and Future Impact on College Freshman" for review by the Eastern Illinois University Institutional Review Board (IRB). The IRB has reviewed this research protocol and effective 11/19/2014, has certified this protocol meets the federal regulations exemption criteria for human subjects research. The protocol has been given the IRB number 14-153. You are approved to proceed with your study.

The classification of this protocol as exempt is valid only for the research activities and subjects described in the above named protocol. IRB policy requires that any proposed changes to this protocol must be reported to, and approved by, the IRB before being implemented. You are also required to inform the IRB immediately of any problems encountered that could adversely affect the health or welfare of the subjects in this study. Please contact me, or the Compliance Coordinator at 581-8576, in the event of an emergency. All correspondence should be sent to:

Institutional Review Board
c/o Office of Research and Sponsored Programs
Telephone: 217-581-8576
Fax: 217-581-7181
Email: eiuirb@www.eiu.edu

Thank you for your cooperation, and the best of success with your research.

Richard Cavanaugh, Chairperson
Institutional Review Board
Telephone: 217-581-6205
Email: recavanaugh@eiu.edu

Appendix B

January 5, 2015

Jennifer Monkman

Counseling and Student Development

Thank you for submitting proposed modifications to the research protocol titled, "Financial Literacy: Past, Present, and Future Impact on College Freshman", 14-153, for review by the Eastern Illinois University Institutional Review Board (IRB). The IRB has reviewed your proposed modifications to this research protocol. The modifications fall within the exemption categories; therefore the IRB continues to classify this modified protocol as Exempt from Further Review.

The classification of this protocol as Exempt from Further Review is valid only for the research activities, timeline, and subjects described in the above named protocol. IRB policy requires that any proposed changes to this protocol must be reported to, and approved by, the IRB before being implemented. You are also required to inform the IRB immediately of any problems encountered that could adversely affect the health or welfare of the subjects in this study. Please contact me or Cheryl Siddens, Compliance Coordinator, at 581-8576 in the event of an emergency. All correspondence should be sent to:

Institutional Review Board
c/o Office of Research and Sponsored Programs
Telephone: 217-581-8576
Fax: 217-581-7181
Email: eiuirb@www.eiu.edu

Thank you for your cooperation, and the best of success with your research.

Richard Cavanaugh, Chairperson
Institutional Review Board
Telephone: 217-581-6205
Email: recavanaugh@eiu.edu

Appendix C

Informed Consent

Hello EIU Student,

You are invited to participate in a research study that focuses on freshman student's knowledge of financial aid. The purpose of the study is gain knowledge of college freshman awareness of their financial choices on their future, specifically their overall financial knowledge, and what role their parents play in their financial literacy development.

This survey is being conducted as part of an assignment for the course CSA 5950, Thesis and Research, as a requirement for the Masters of Science Program in College Student Affairs at Eastern Illinois University. Dr. Dena Kniess is the course instructor and I Jennifer Monkman, am the Principal Investigator on the project.

This survey should take 15 to 20 minutes to complete. The decision to participate is completely voluntary. You have the right to terminate your participation at any time without penalty. There are no foreseeable risks to your participation in this.

Your participation in this research will be kept confidential. Information from this research project will be shared with administrators on campus. Because your participation in the study is critical, if you complete the survey you will have the opportunity to enter your email into a drawing to win a Starbucks gift card valued at $25. Your decision to participate, decline, or withdraw from participation will have no effect on your current or future relations with Eastern Illinois University.

By clicking the link, you agree to participate voluntarily in all aspects of this study, understand that you have the option of removing yourself from this study at any time. Here is the link to the survey: http://eiu.co1.qualtrics.com/SE/?SID=SV_4PdlSQNUWkEK9tb

If you have any questions about the research, feel free to contact Jennifer Monkman by email at jjmonkman@eiu.edu or Dena Kniess (Faculty Supervisor) at drkniess@eiu.edu

If you have any questions or concerns about the treatment of human participants in this study, you may call or write:

Institutional Review Board

Eastern Illinois University

600 Lincoln Ave.

Charleston, IL 61920

Telephone: (217) 581-8576

E-mail: eiuirb@www.eiu.edu

Thank you,

Jennifer Monkman

Appendix D

College Education Borrowing Survey

Q1 Gender:

- ❍ Male (1)
- ❍ Female (2)

Q2 To what racial/ethnic group do you identify?

- ❍ Caucasian (1)
- ❍ Hispanic (2)
- ❍ African American (3)
- ❍ Asian/Pacific Islander (4)
- ❍ American Indian/Alaskan Native (5)
- ❍ Other (6)

Q3 How old are you?

- ❍ 18-20 (1)
- ❍ 21-22 (2)
- ❍ 23-25 (3)
- ❍ 25+ (4)
- ❍ Prefer not to say (5)

Q4 Are you a veteran?

- ❍ Yes (1)
- ❍ No (2)

Q5 Are you the biological parent or legal guardian to a child?

- ❍ Yes (1)
- ❍ No (2)

Q6 Are you receiving any type of financial aid to attend college?

- Yes (1)
- No (2)
- I don't know (3)

Q7 If you applied for financial aid who completed the paperwork?

- Self (1)
- Parents (2)
- Both (myself and my parents) (3)
- Other (4)
- Not Applicable (5)

Q8 What types of financial aid are you receiving? Check all that apply

- Grant (1)
- Loan (2)
- Academic Scholarship (3)
- Athletic Scholarship (4)
- Don't Know (5)
- None (6)

Q9 There are federal loans and private loans. What type do you have? Check all that apply

- Perkins (Public) (1)
- Stafford Subsidized (Public) (2)
- Stafford Unsubsidized (Public) (3)
- Private (4)
- Don't Know (5)
- Not Applicable (6)

Q10 By the time you graduate from undergraduate school, what do you expect will be the TOTAL amount of debt you will have borrowed for school?

- $0.00 (1)
- $0.01-$10,000 (2)
- $10,001-$20,000 (3)
- $20,001-$30,000 (4)
- $30,001-$40,000 (5)
- $40,001-$50,000 (6)
- $50,001-$60,000 (7)
- Greater than $60,000 (8)
- Don't know (9)

Q11 Including interest what do you estimate will be the TOTAL amount you will pay on your undergraduate loans assuming an interest rate of 7%

- $0.00 (1)
- $0.01-$10,000 (2)
- $10,001-$20,000 (3)
- $20,001-$30,000 (4)
- $30,001-$40,000 (5)
- $40,001-$50,000 (6)
- $50,001-$60,000 (7)
- Greater than $60,000 (8)
- Don't know (9)

Q12 How long do you expect it will take to pay back your loans?

- Less than 1 year (1)
- 1-5 years (2)
- 6-10 years (3)
- 11-15 years (4)
- 16-20 years (5)
- 20-30 years (6)
- Over 30 years (7)
- Don't know (8)

Q13 What do you expect to be paying per month on your loans?

- $1.00-$99 (1)
- $100-$199 (2)
- $200-$299 (3)
- $300-$399 (4)
- $400-$499 (5)
- $500-$599 (6)
- $600-$699 (7)
- Over $700 (8)
- Don't know (9)

Q14 How much do you worry or care about student loan debt?

- Very much (1)
- Somewhat (2)
- Very little (3)
- Not at all (4)

Q15 I plan to use my school loans to pay for: Check all that may apply

- ☐ Tuition (1)
- ☐ Housing (2)
- ☐ Other Education Expenses (3)
- ☐ Entertainment (4)
- ☐ Spring Break Trip (5)
- ☐ Not Applicable (6)

Q16 Have you used a personal (not parent) credit card to pay for tuition and/or room and board?

- Yes (1)
- No (2)

Q17 Have you ever used a personal (not parent) credit card to pay for other educational expenses?

- Yes (1)
- No (2)

Q18 An unsubsidized loan is awarded on financial need?

- True (1)
- False (2)

Q19 You have been awarded a Perkins loan and subsidized loan, but only need one. You pick the Perkins Loan for better interest rate and repayment period.

- True (1)
- False (2)

Q20 The interest on a subsidized loan is deferred until graduation, but the interest rate on an unsubsidized loan begins accruing immediately.

- True (1)
- False (2)

Q21 The standard repayment period for a loan is 10 years.

- True (1)
- False (2)

Q22 You must be attending school at least part-time to keep your loan payments deferred.

- True (1)
- False (2)

Q23 You can pay the interest on an unsubsidized loan while still in school.

- True (1)
- False (2)

Q24 The grace period for a loan is one year after graduation.

- True (1)
- False (2)

Q25 Do you know how much money is in your bank account?

- Always (1)
- Most of the time (2)
- Sometimes (3)
- Never (4)

Q26 How often do you check your bank balance?

- Always (1)
- Most of the Time (2)
- Sometimes (3)
- Never (4)

Q27 How often do you use a budget, either formal or informal?

- Always (1)
- Most of the Time (2)
- Sometimes (3)
- Never (4)

Q28 When I pay with a credit card I pay off the total amount due each month.

- Always (1)
- Most of the Time (2)
- Sometimes (3)
- Never (4)

Q29 I overdraw my bank account.

- Frequently (1)
- Infrequently (2)
- Never (3)

Q30 Questions 31-44 are answered using the following scale: 1= Strongly Agree2= Agree3= neither Agree or Disagree4=Disagree5=Strongly Disagree

Q31 There is no excuse for borrowing money.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q32 Students have to go into debt.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q33 You should always pay cash rather than charging.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q34 Debt is an essential part of today's lifestyle

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q35 Students should be discouraged from using credit cards.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q36 It is okay to incur a bank charge or overdraft, if you know you can pay it off.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q37 Once you are in debt, it is very difficult to get out

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q38 It is better to have something now than to wait until you have the money to pay for it.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q39 Taking out a loan is a good thing because it allows you to enjoy life as a student.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q40 Owing money is basically wrong.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q41 You should pay off your credit card monthly.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q42 Owing money does not bother me.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q43 I am willing to incur student loan debt to attend college.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q44 How many credit cards do you have

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)

Q45 Who do you ask for financial advice?

- Parent/guardian (1)
- Friends (2)
- Financial Advisor (3)
- I do not ask (4)
- Financial Aid Office (5)

Q46 How often do you ask for financial advice?

______ Frequency Scale (1)

Q47 Where did you first learn about finances

- ❍ Parent/guardian (1)
- ❍ Friend (2)
- ❍ Class (ex. High School consumer ed or business class (3)
- ❍ Financial Advisor (4)
- ❍ Financial Aid Office (5)
- ❍ I still don't know about my finances (6)

Q48 How often do you consider your parent/guardian to be a financial role model?

______ Frequency Scale (1)

Q49 Do you wish you had more information about your finances?

- ❍ Yes (1)
- ❍ No (2)
- ❍ I don't know (3)

Q50 If you answered yes to wanting more information about your finances, which areas are you interested in?

- ❑ Student loans (1)
- ❑ Credit cards (2)
- ❑ Saving Money (3)
- ❑ Financial aid (4)
- ❑ Budgeting (5)
- ❑ Personal Finances (6)
- ❑ Not interested (7)

Q51 Please choose the option that best describes your up bringing.

- ❑ Two parent household (1)
- ❑ Single Parent household (2)
- ❑ Raised by grandparenst (3)
- ❑ Foster care (4)
- ❑ Legal guardian (5)
- ❑ Other (6)

Q52 What is your major

- ❍ Accounting (1)
- ❍ Adult and Community Education (2)
- ❍ Africana Studies (3)
- ❍ Applied Engineering & Technology (4)
- ❍ Art (BA) (5)
- ❍ Art (BFA) (6)
- ❍ Athletic Training (7)
- ❍ Biological Sciences (8)
- ❍ Business Administration (9)
- ❍ Career and Technical Education (10)
- ❍ Chemistry (BA or BS) (11)
- ❍ Clinical Laboratory Science (12)
- ❍ Communication Disorders & Sciences (13)
- ❍ Communication Studies (14)
- ❍ Early Childhood Education (15)
- ❍ Economics (16)
- ❍ Elementary Education (17)
- ❍ Engineering (18)
- ❍ English (19)
- ❍ Family and Consumer Sciences (20)
- ❍ Finance (21)
- ❍ Foreign Languages (22)
- ❍ General Studies (23)
- ❍ Geography (24)
- ❍ Geology (25)
- ❍ Health Professions (26)
- ❍ Health Studies (27)
- ❍ History (28)
- ❍ Journalism (29)
- ❍ Kinesiology and Sports Studies (30)
- ❍ Management (31)
- ❍ Management Information Systems (32)
- ❍ Marketing (33)
- ❍ Mathematics (34)
- ❍ Mathematics and Computer Science (35)
- ❍ Middle Level Education (36)
- ❍ Music (37)
- ❍ Nursing (RN to BSN Completion Program) (38)
- ❍ Organizational & Professional Development (39)
- ❍ Philosophy (40)

- Physics (41)
- Political Science (42)
- Pre-Chiropractic (43)
- Pre-Dentistry (44)
- Pre-Engineering (45)
- Pre-Medicine (46)
- Pre-Nursing (47)
- Pre-Occupational Therapy (48)
- Pre-Optometry (49)
- Pre-Pharmacy (50)
- Pre-Physical Therapy (51)
- Pre-Physician Assistant (52)
- Pre-Veterinary Medicine (53)
- Psychology (54)
- Recreation Administration (55)
- Science with Teacher Licensure (56)
- Social Science Teaching (57)
- Sociology (58)
- Special Education (59)
- Theatre Arts (60)

Q53 After graduation do you plan to:

- Enter the workforce (1)
- Attend graduate school (2)
- Attend a professional school such as law, medicine, etc. (3)
- Other (4)

Q54 How much do you expect your salary to be after graduating with your Bachelor's degree?

- $0.00-$10,000 (1)
- $10,001-$20,000 (2)
- $20,001-$30,000 (3)
- $30,001-$40,000 (4)
- $40,001-$50,000 (5)
- $50,001-$60,000 (6)
- $60,001-$70,000 (7)
- Over $70,000 (8)
- I plan to attend Graduate School right away (9)
- I don't know (10)

Q55 How much do you think your salary will be five years after graduation?

- $0.00-$10,000 (1)
- $10,001-$20,000 (2)
- $20,001-$30,000 (3)
- $30,001-$40,000 (4)
- $40,001-$50,000 (5)
- $50,001-$60,000 (6)
- $60,001-$70,000 (7)
- $70,001-$80,000 (8)
- $80,001-$90,000 (9)
- $90,001-$100,000 (10)
- Over $100,000 (11)
- I don't know (12)