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**Title:** Tuition loans and their effect on college student spending habits.

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**Keywords:** Tuition loans, college student debt, college student spending habits, salary expectations

**Abstract:** Student loans are becoming more of a problem for college students across many campuses' nation wide because of increasing tuition costs and decreasing amounts of grants and scholarships. Data was collected random online surveys and focus groups, conducted at the University of Illinois, about student loans and how it affects a college student's consumption. The results of the research have shown that college students at this university are not worried about their student loans and it does not affect their current consumption greatly, but does affect larger purchase decisions slightly. This finding has shown that college students should possibly be more aware of their student loans while attending college.

**Initial Exercises:** As a class we learned how to ask basic research questions. Next we studied focus groups and how they can effectively contribute to a research project. The next part of the class was devoted to creating an online survey to get some quantitative data. We then learned how to use the program stata. After the results from the survey came back, we spend the last few weeks of class preparing and analyzing the data to use in our paper.

**Question:** Is there a connection between tuition loans and consumption among college students?

Are loans something that students worry about while in college?

Do students spend more or less depended on the amount of their loan?

Do students with loans tend to hold jobs more than students without loans?

Do students believe that they will be able to pay of their loans relatively quickly after college?

Do expectation of future wages play a role in any of this?

**Plan:** First, we are going to do some background research on the subject

in general and use some other researches work to provide a basis for our project.

Our plan is to hold 4 Focus groups. The purpose of the focus groups are to examine the reasoning behind some of the financial decisions college students make. The focus groups will provide most of our qualitative data.

We have formulated our portion on the online survey and plan to analyze the results using stata. This will provide us with most of our quantitative data.

After we have done our analysis from the focus groups and online surveys we will be ready to write our research paper.

Data:

Discuss:

EUI Links:

Reflect:

Recommendations:

Focus group questions: Focus Group Questions

Tell us who you are, what's your major, year in school, campus affiliations/hobbies?

How would you define the word debt? Do you think it is a problem among college students?

How much do you think the average college graduate should expect to earn after graduation?  
(Specify by major or area of study)

What factors do you think affect how long it takes students to pay off their loans?

Roughly how many years after college do you think they break even?

Do you have job ? If so what do you spend your earnings on? Other sources of income?

Do you look at earnings from a job as different from earnings from your loans? Does this affect your spending?

Do you have a structured budget? Why?

When you spend your money do you think about your loans?

If you did not have student loans do you think your spending habits would change?

Is the current economic situation having an effect on your spending? Availability of loans? Expectation of salary?

Is there any elements we have left out?

Any other factors contribute you your spending and/or ability to pay off loans that have not been mentioned?