

# Barriers to successfully financing a college education – and how to help overcome them



Through Access Your Potential, PwC is teaching underserved students the tech and money skills they need to change the trajectory of their lives. Financial literacy is especially critical when it comes to paying for a college education. Research supported by PwC and conducted by the National Association for College Admission Counseling (NACAC) identified five major barriers that exist for low-income and first-generation students, and what collectively, we can do about them.



1

Low-income and first-generation students lack critical knowledge about college costs and financial aid opportunities

A study found that 82% of high school juniors overestimated tuition and fees at public, 4-year colleges in state, and 44% were unaware of the Free Application for Federal Student Aid (FAFSA)<sup>1</sup>.

Knowledge gaps are not filled by family and social networks compared to higher income students.

2

Access to college counseling professionals is constrained, especially for students who most need the support

Students who are able to meet with a counselor are 7 times more likely to complete a FAFSA and 3 times more likely to attend college<sup>2</sup>.

The majority of schools (54%) don't share information about paying for college before 11th grade<sup>3</sup>.

Public school counselors have an average caseload of 482 students, and, on average, are only able to spend 21% of their time on postsecondary counseling<sup>3</sup>.

3

School counseling and college admission professionals aren't adequately trained in college financing

Less than one-third of counselors work at secondary schools where financial aid training is provided<sup>3</sup>.

The percentage of counselors (C) and early-career college admission professionals (CA) who feel well-versed in important financial aid topics is not sufficient<sup>3</sup>.

	C	CA
FAFSA application process	68%	34%
Interpreting award letters	51%	38%
Net price	28%	38%

4

Students struggle to understand the full implications of college financing options

Award letters aren't standard and use terms that aren't familiar, making them difficult to evaluate and compare.

Misperceptions about costs associated with financial aid can interfere with decision making.

Difficulty distinguishing between types of aid could lead to borrowing more than intended.

5

Students don't know where to go for support when they're making final decisions about college and financial aid

It's often unclear who can provide guidance about paying for college.

Students get passed among various points of support and information.

Secondary school counselor  
↓  
Admission office  
↓  
Financial aid office

As a result, failure to matriculate can be as high as 25 percent, especially among low-income students<sup>4</sup>.

**How You Can Help**

Educate school and college leaders about the important role that secondary school counselors and college admission officers play in advising students about financial aid and college affordability. Encourage elevating these roles so that students can expect consistent and reliable information.

**How You Can Help**

Improve access to tools that help students, families, and counselors understand the aid they are offered and its implications. Encourage institutional leaders and other policy-makers to improve the clarity of financial aid award offers.

**How You Can Help**

Advocate for strong college preparation programs and appropriate professional training in high school; with an emphasis on financial aid. Partner with local colleges to support financial aid training for college admission counseling professionals.

**How You Can Help**

Support early financial literacy education and financial aid information programs targeted at underserved students and their families. Advocate for increasing the number of counselors in secondary schools.

**How You Can Help**

Leverage materials from PwC, NACAC, and other organizations and disseminate trusted information to schools, educators, students, and families about financial literacy and college affordability.

For more findings from this research project, visit [www.nacacnet.org/pwc](http://www.nacacnet.org/pwc)

1 Nienhuser, K.H., & Oshio, T. (2017). *High School Students' Accuracy in Estimating the Cost of College: A Proposed Methodological Approach and Differences Among Racial/Ethnic Groups and College Financial-Related Factors*. Research in Higher Education. Volume 58, Issue 7.

2 Dunlop Velez, E. (2016). *How Can High School Counseling Shape Students' Postsecondary Attendance?* Arlington, VA: National Association for College Admission Counseling.

3 PwC/NACAC *Barriers to Financing a College Education*, 2018.

4 Castleman, B.L., & Page, C. (2014) *A Trickle or a Torrent? Understanding the Extent of Summer Melt Among College-Intending High School Graduates*. Social Science Quarterly. Volume 95. Issue 1.

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