

Student Financial Wellness and Financial Stability Services at Texas Community Colleges:

Findings from Two Fall 2018 Surveys

Texas Pathways Institute

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Outline

- Student Financial Wellness Survey
 - Research Topics
 - Methodology
 - Findings
 - Student Financial Security
 - Basic Needs Security
 - Paying for College and Student Debt
 - Student Perceptions of Institutional Support
 - Future Plans
- Inventory of Financial Stability Services





Student Financial Wellness Survey

Research Topics

- Financial knowledge
- Financial challenges, stress and behaviors
- Attitudes about student debt
- Academic goals
- Paying for college
- Food, housing, and transportation insecurity
- Perceptions of institutional support



Research Methodology

- Survey launched on September 24, 2018
- Open for three weeks
- Fifty-eight institutions participated:
 - 37 Community Colleges (33 Texas CCs)
 - 10 Public 4-Year Institutions
 - 11 Private 4-Year Institutions
- Findings presented today are preliminary, a full report of findings will be out in early 2019.
- This report presents comparison groups that derive from aggregate data collected from all 57 schools participating in the survey.
- Values presented in this report are rounded, therefore the sum of response frequencies may not equal 100 percent.

Survey Metrics for Texas Community Colleges	
Number of Institutions	33 Texas CCs
Survey Population	234,170 students
Responses	10,357 students
Response Rate	4.4%
Completion Rate	86%
Median Time Spent	15 minutes



Sample Characteristics

- Full analysis of sample characteristics and tests for representativeness will be presented in full reports
- Sample characteristics of respondents:
 - Sample had an overrepresentation of students who were:
 - Female
 - Enrolled full-time
 - In their first-year
 - Hispanic/Latino students underrepresented in the sample, White students overrepresented
 - Sample slightly older

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- Response rate for all sectors was 5.5%
- Self-reported, online survey response rates are often in the single digits
- Response rates ranged from 2% - 19% depending on the campus



Research Methodology – Scales Used

- Lusardi-Mitchel 3-question financial knowledge scale
- Net promoter scale
- Debt aversion scale from Boatman-Evans
- USDA six-question food security scale
- HOPE Lab housing security and homelessness scale, although based on 12 month period





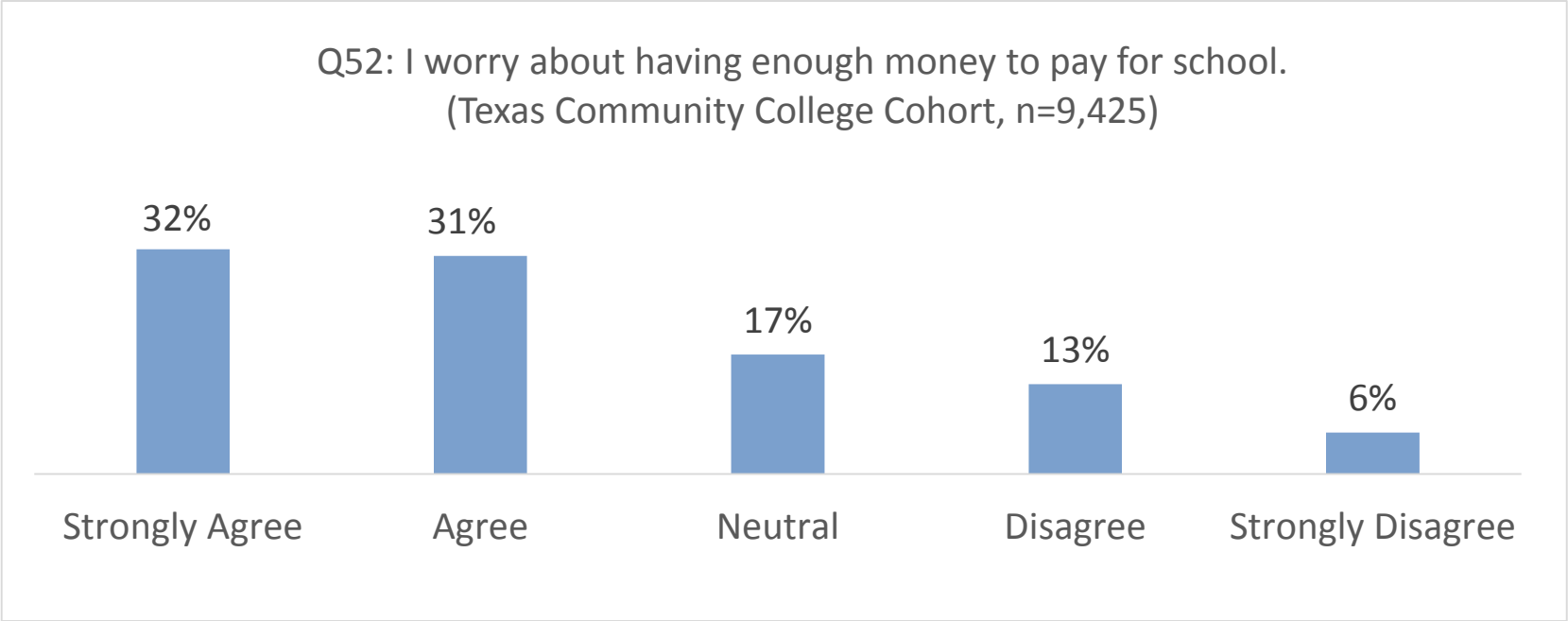
Findings – Student Financial Security

Student Financial Security

- Financial wellness issues are common challenges for postsecondary students.
- Besides the mental and emotional toll of financial insecurity, students surviving on narrow margins are far more vulnerable to academic disruptions caused by unexpected expenses.



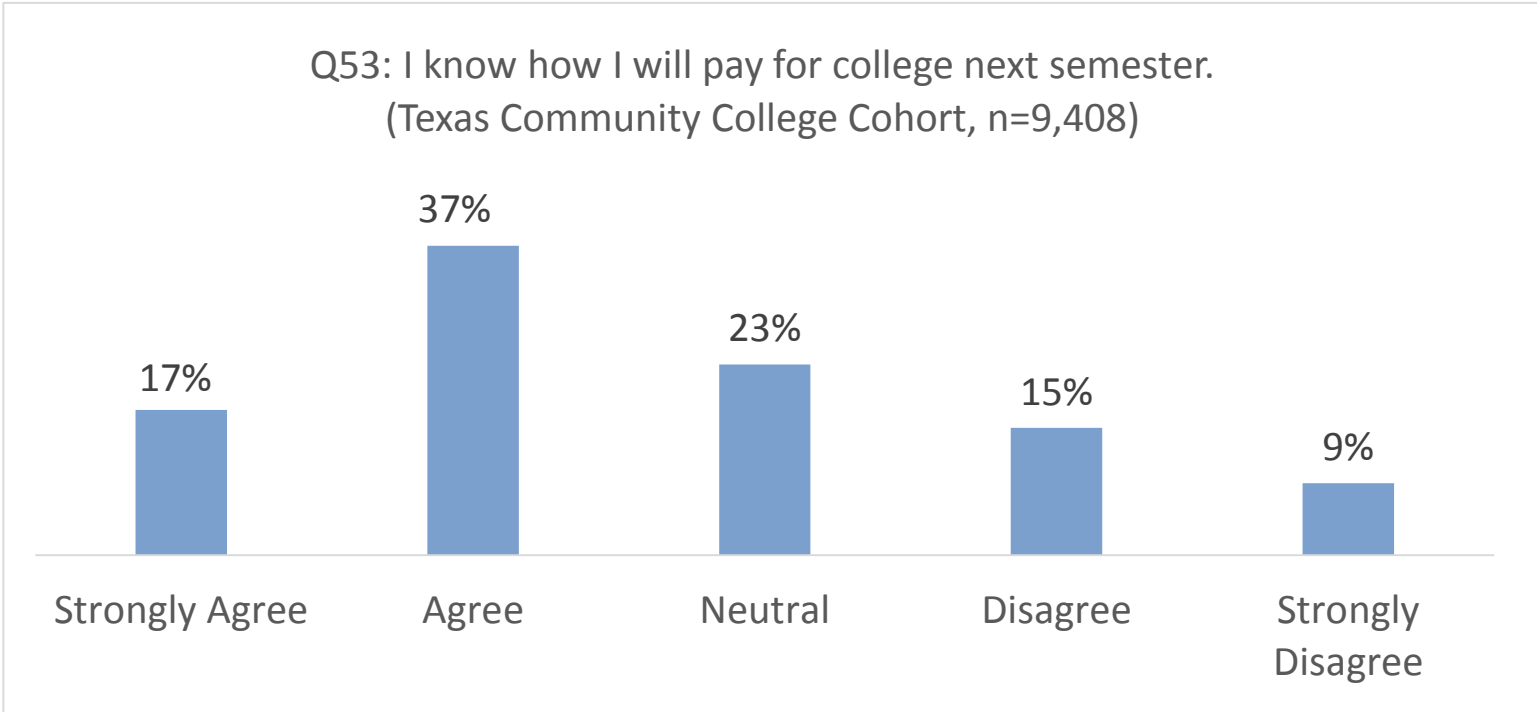
Student Financial Security



- Most students worry about paying for college. Nearly two-thirds of respondents (63 percent) agreed or strongly agreed that they worry about having enough money to pay for school.



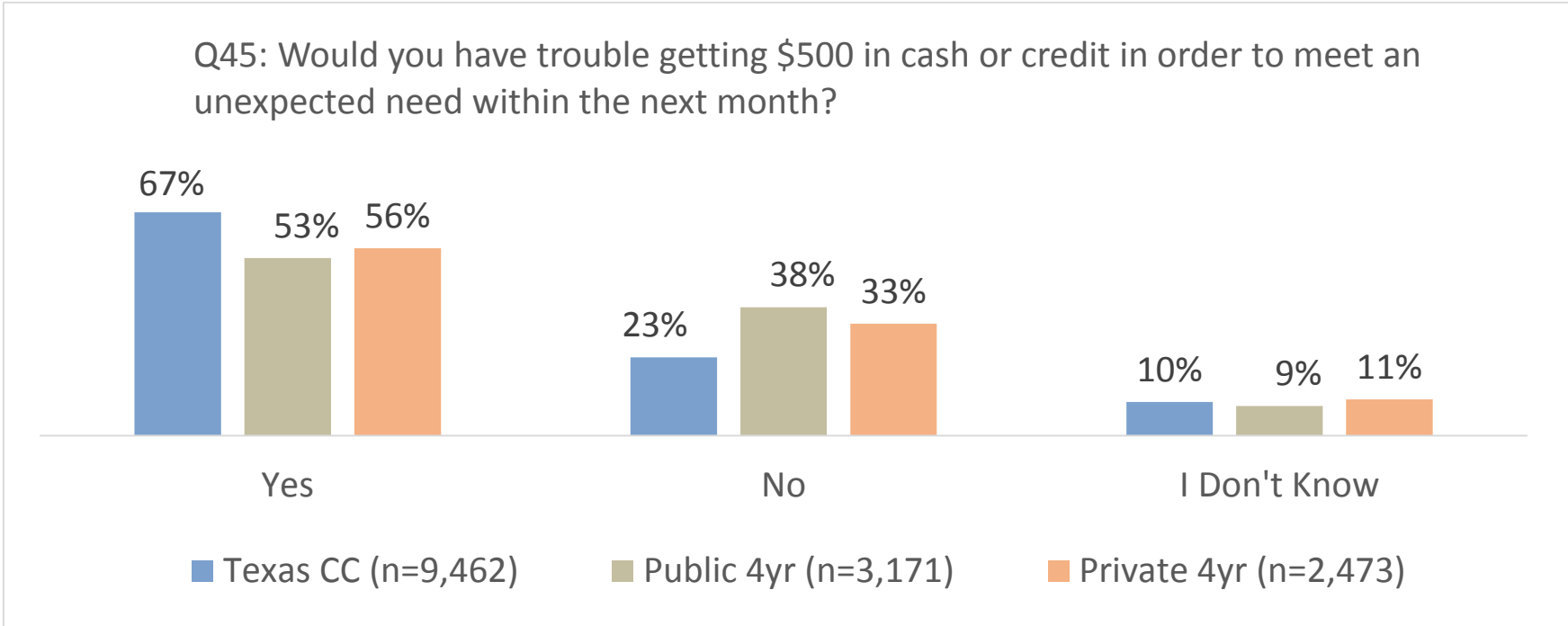
Student Financial Security



- Many students lacked a plan for paying for their next semester. Nearly a quarter of respondents (24 percent) disagreed or strongly disagreed that they knew how they would pay for college next semester.



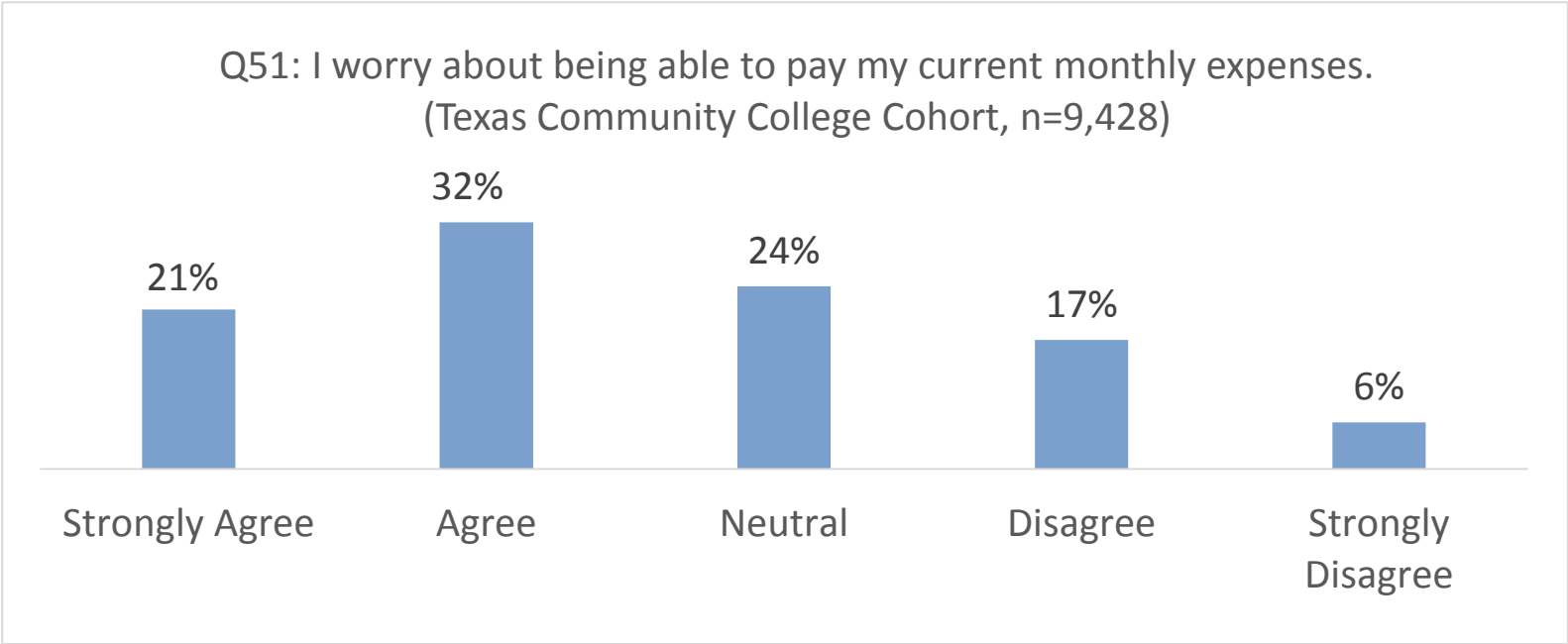
Student Financial Security



- Students' finances appear precarious, susceptible to unexpected expenses. More than two-thirds of respondents (67 percent) indicated they would have trouble getting \$500 in cash or credit for an emergency.
- Higher than respondents from public and private 4-year institutions



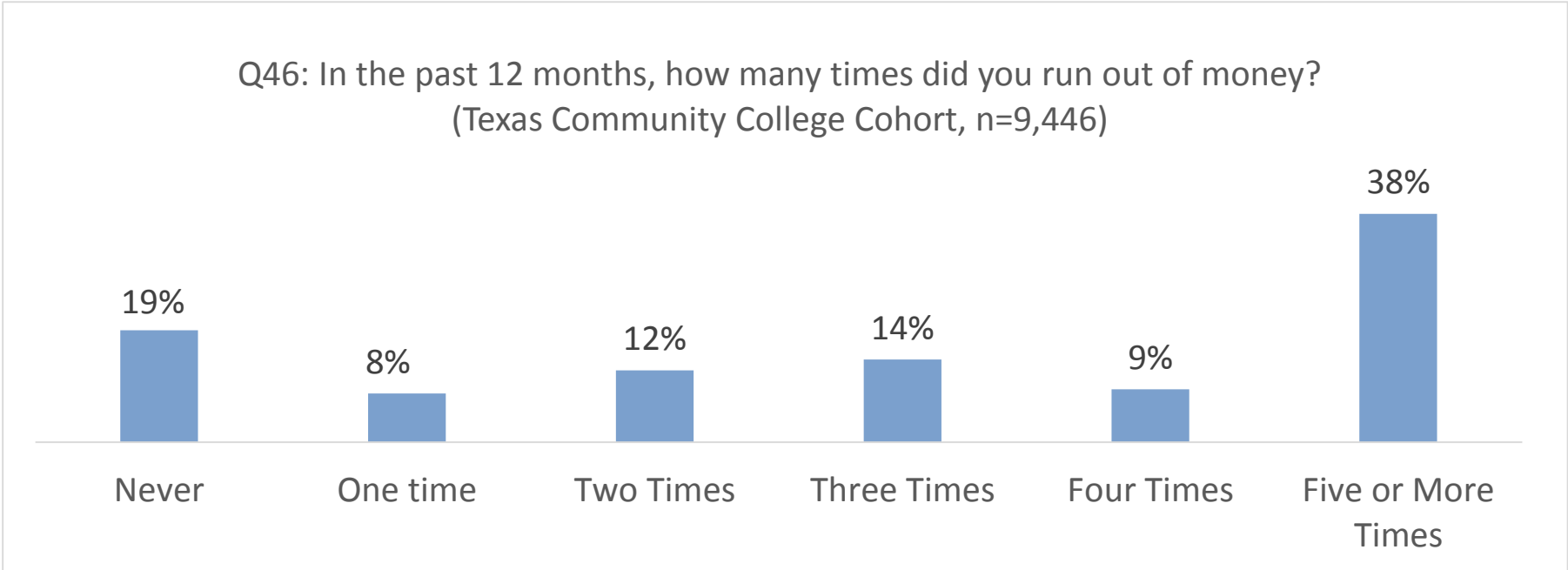
Student Financial Security



- Students worry about ongoing expenses. More than half of respondents (53 percent) worry to some degree about paying for their current monthly expenses.



Student Financial Security

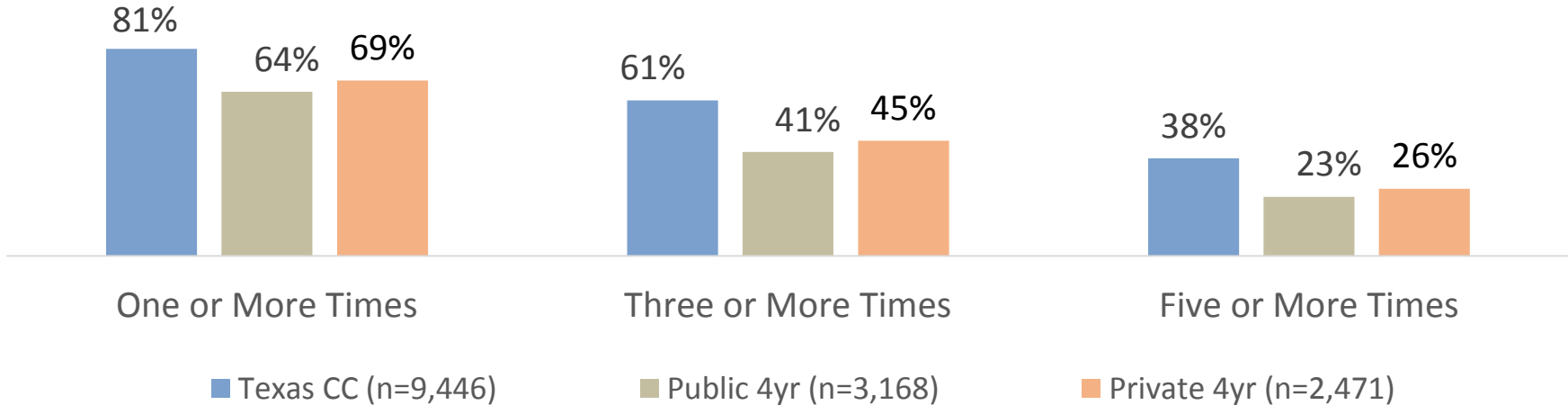


- Running out of money at some point in a year is common among college students, but nearly half face the brink an unsettling number of times.
 - More than three-quarters of respondents (81 percent) reported running out of money at least once in the past 12 months.
 - More than a quarter of respondents (38 percent) reporting running out of money five or more times.



Student Financial Security

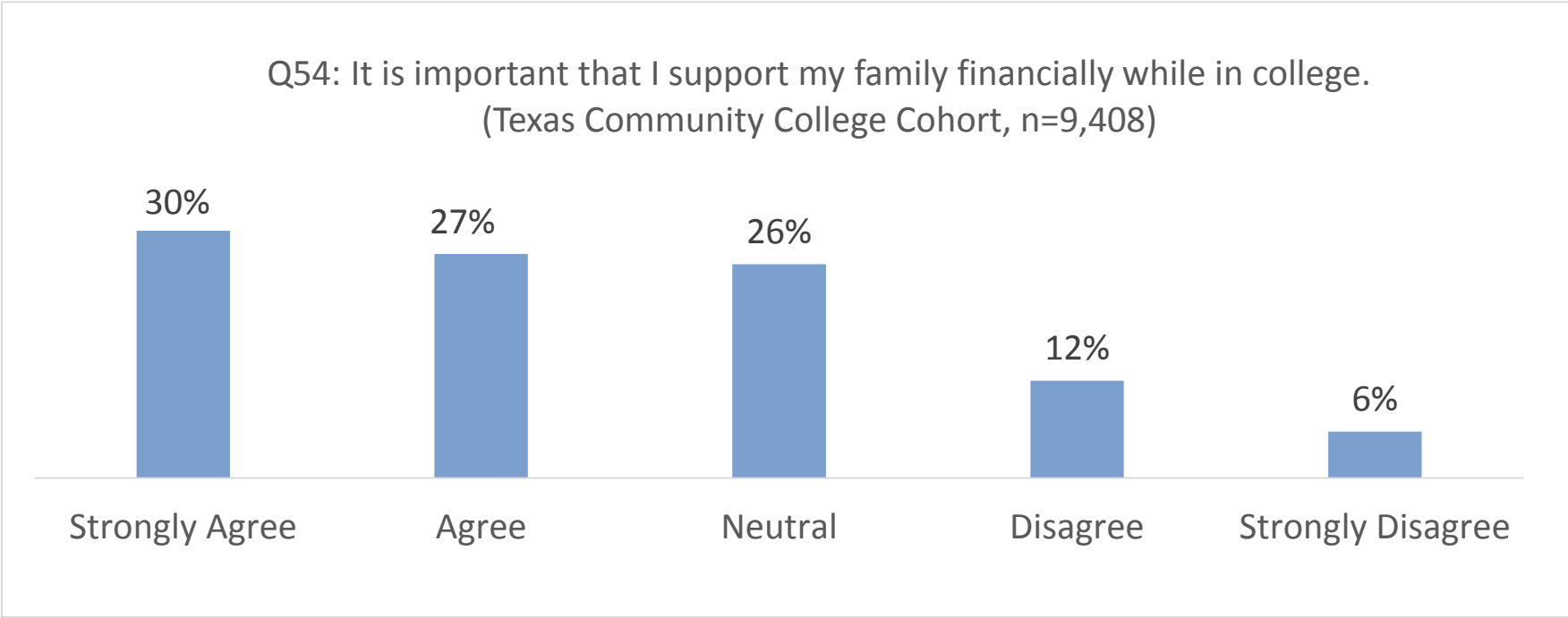
Q46: In the past 12 months, how many times did you run out of money?



- Respondents from the Texas Community College Cohort reported running out of money at higher rates one, three, and five or more times in the past 12 months.



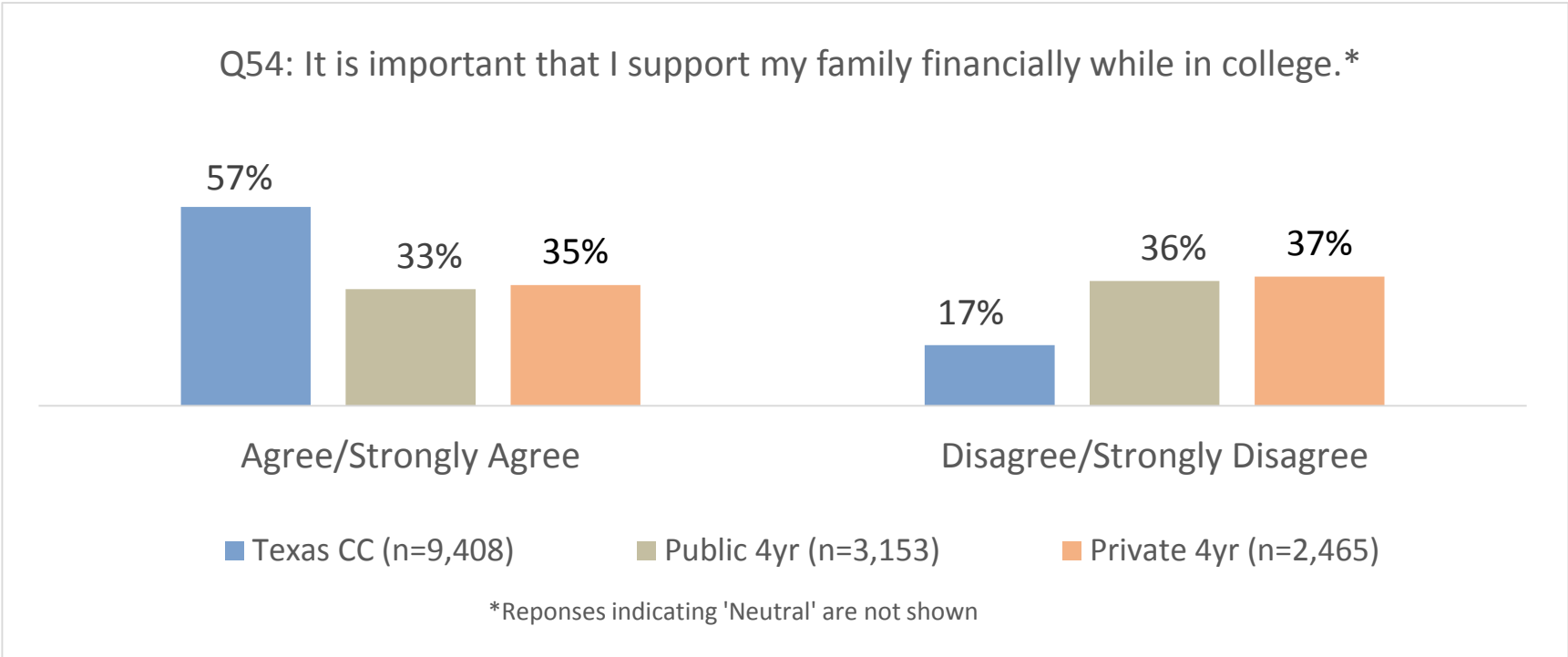
Student Financial Security



- More than half of respondents (57 percent) agreed or strongly agreed that it is important that they support their family financially while in college.



Student Financial Security

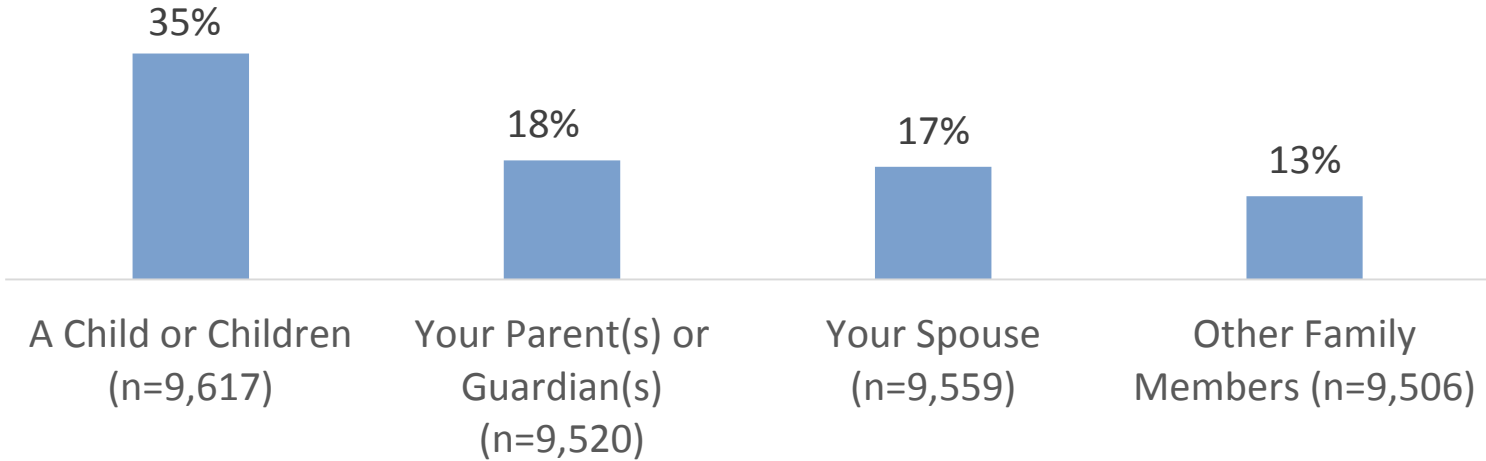


- Respondents from the Texas Community College Cohort report financially supporting family while in college at higher rates than respondents from public and private 4-year institutions.



Student Financial Security

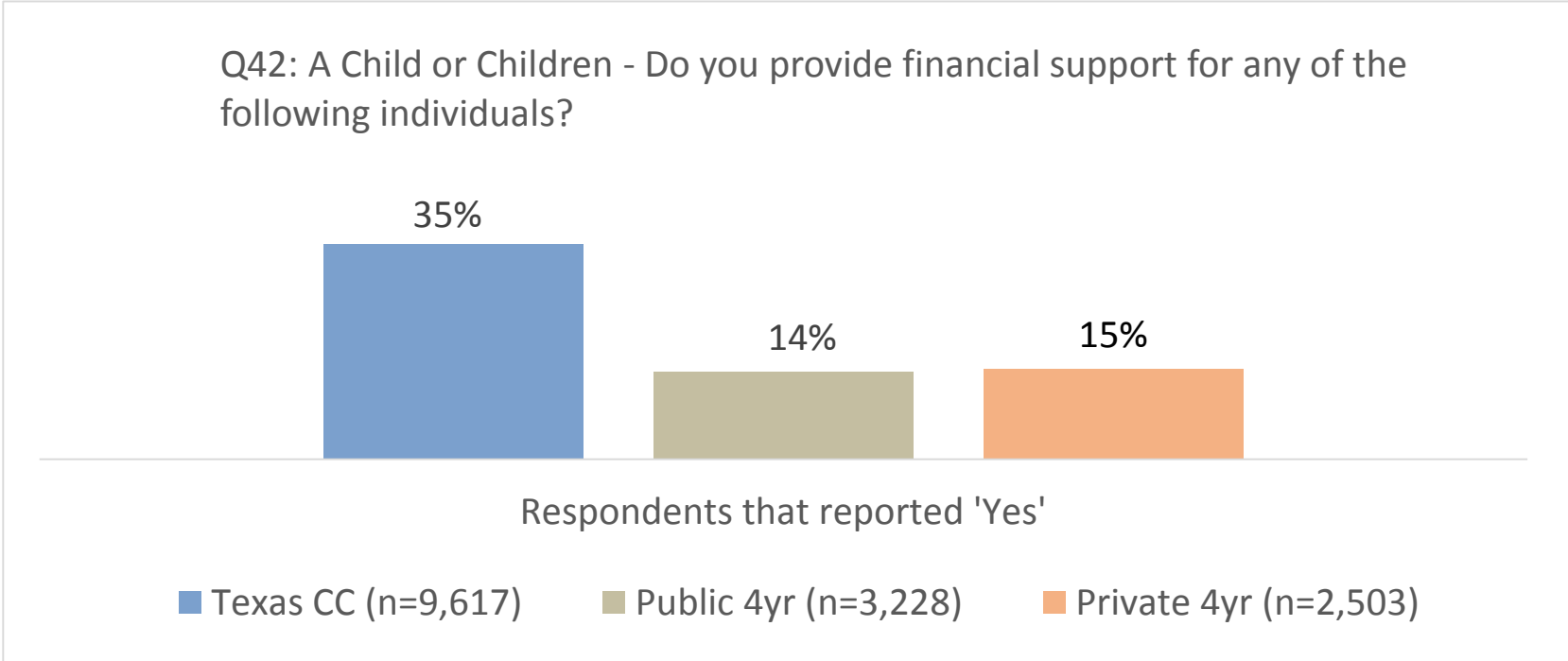
Q41-44: Do you provide financial support for any of the following individuals? Respondents who answered 'Yes'
(Texas Community College Cohort)



- More than a third of respondents (35 percent) support a child or children financially while in college, 18 percent provide for parents or guardians and 13 percent for other family members.



Student Financial Security



- Respondents from the Texas Community College Cohort support a child or children at higher rates than public and private 4-year institutions.





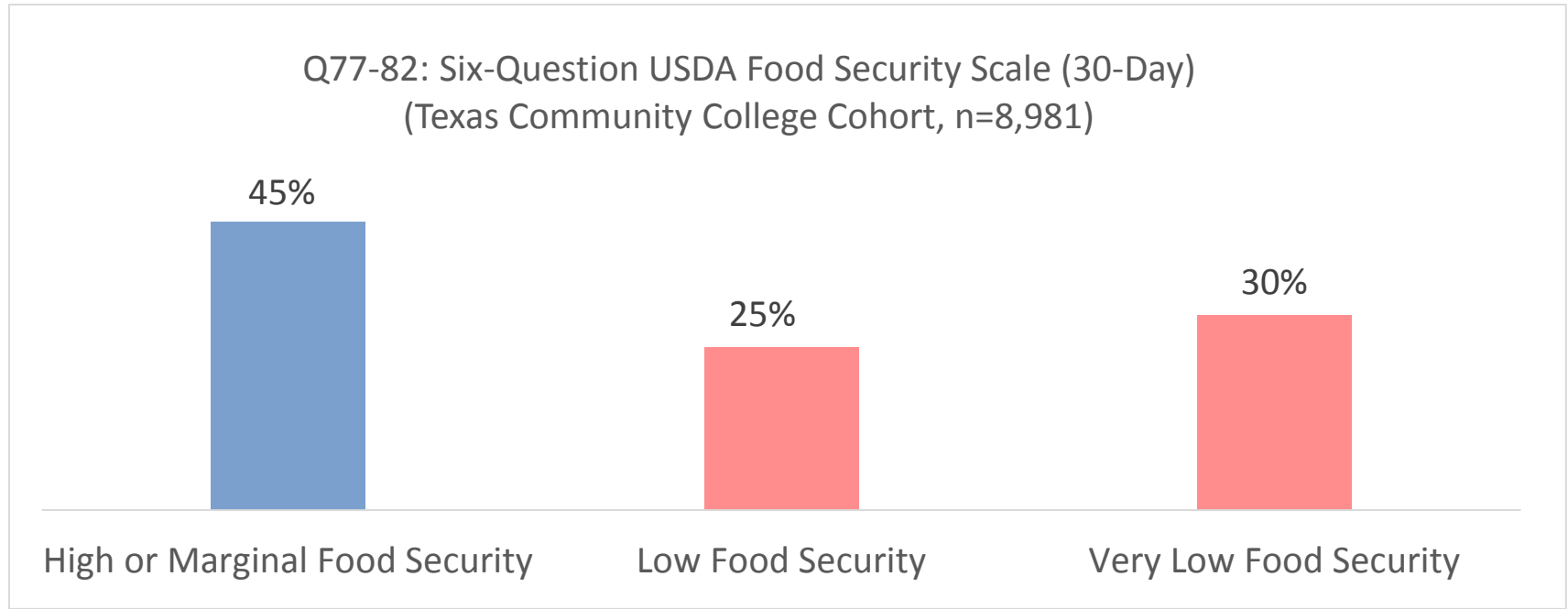
Findings – Basic Needs Security

Basic Needs Security

- There is a growing awareness and body of research around basic needs security.
- Students who struggle with basic needs – nutrition, safe shelter, transportation, healthcare, etc. – will have a more difficult path to earning a degree.



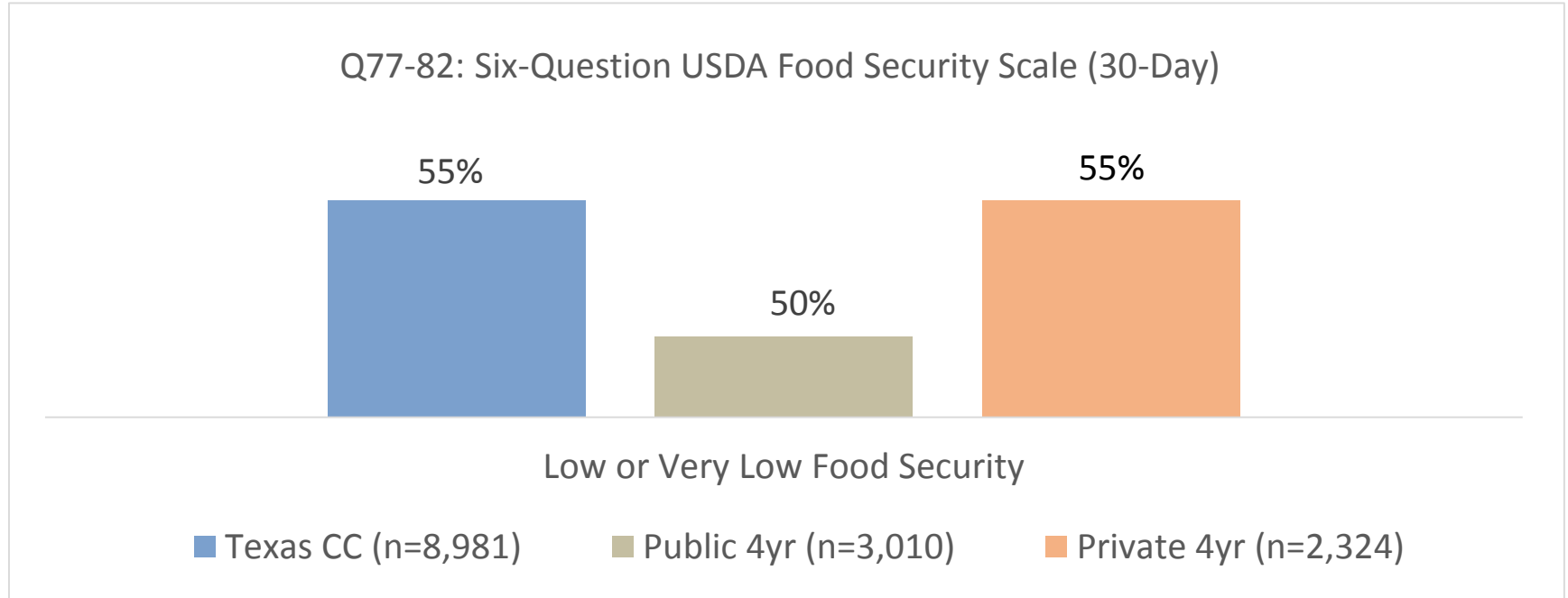
Basic Needs Security



- Low and very low food security are defined as, “reports of multiple indications of disrupted eating patterns and reduced food intake.”
- More than half of respondents showed signs of either low food security (25 percent) or very low food security (30 percent) within 30 days prior to the survey.



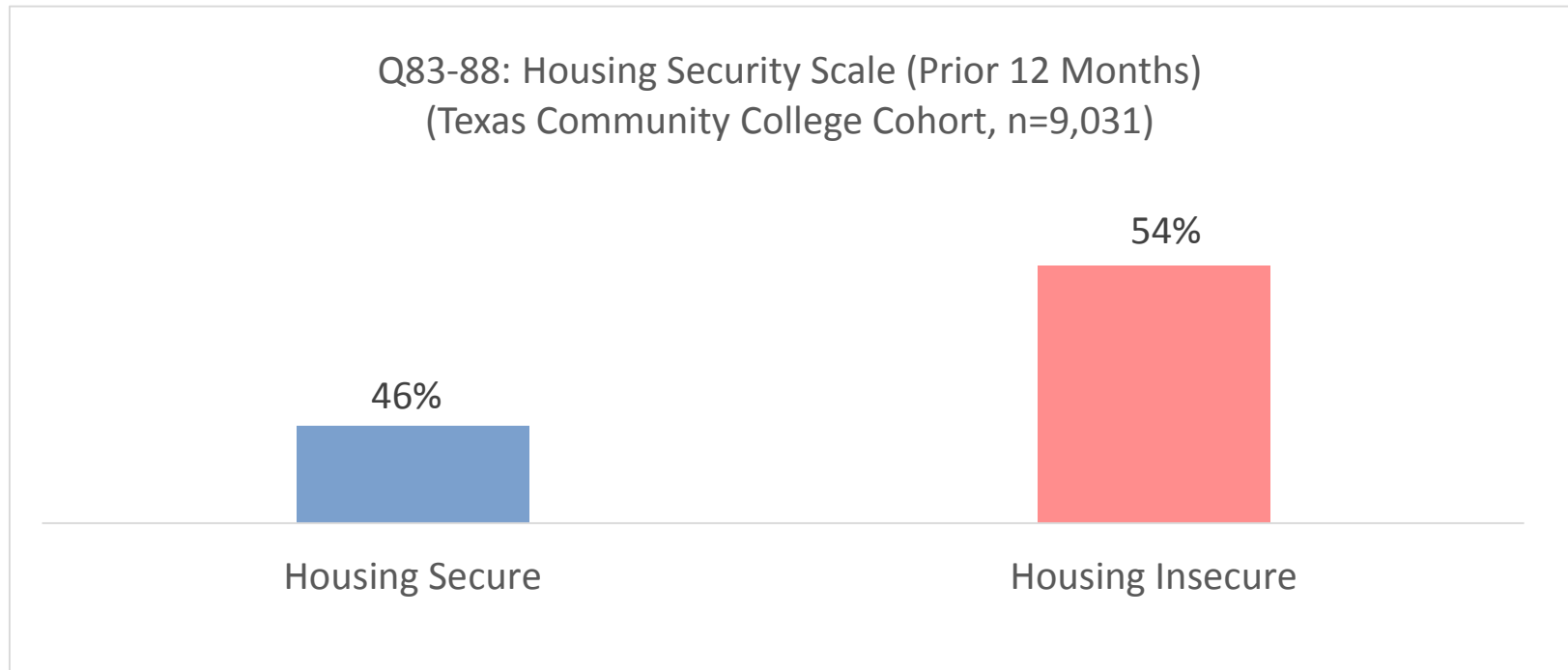
Basic Needs Security



- In our sample, food insecurity did not vary much by institution type.
- This is an issue across all school sectors.



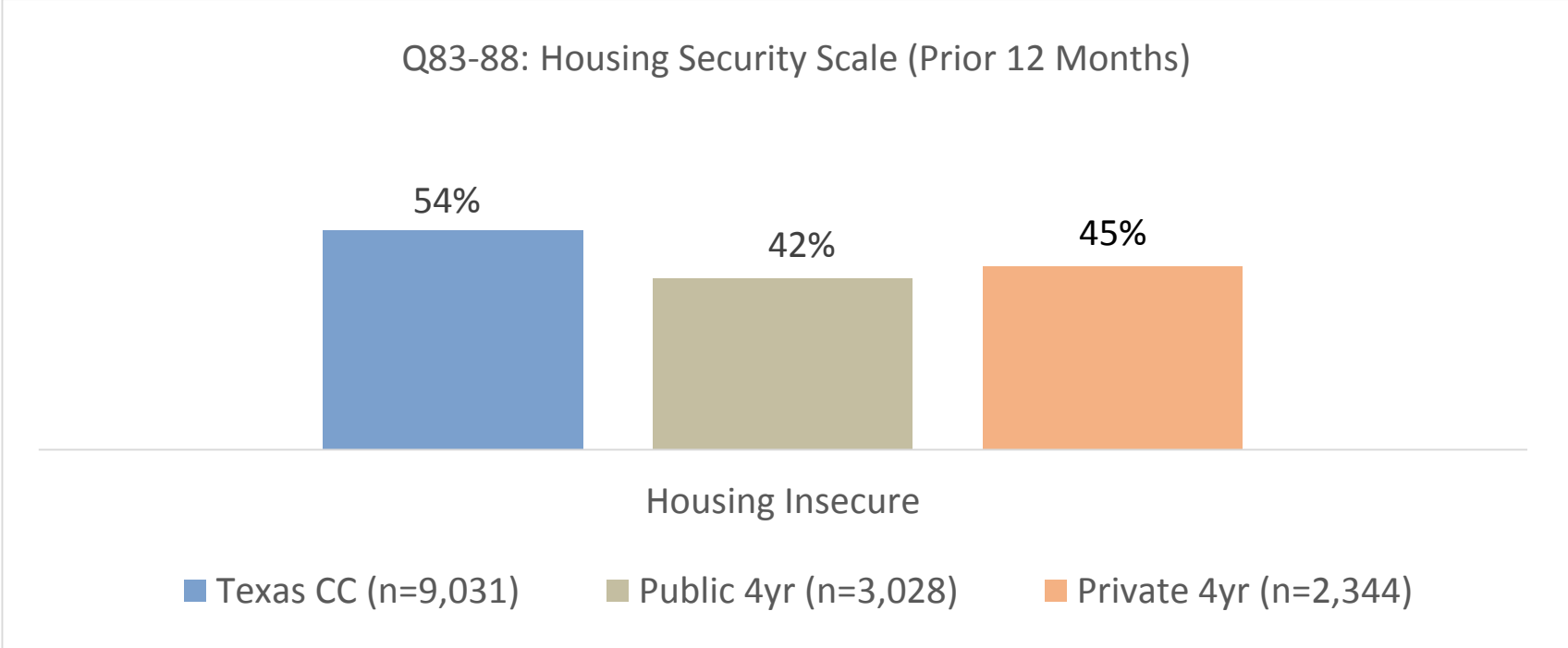
Basic Needs Security



- Housing insecurity is defined by leading researchers (The HOPE Center and others) as “broader set[s] of challenges such as the inability to pay rent or utilities or the need to move frequently.”
- More than half of respondents (54 percent) showed signs of being housing insecure within the 12 months prior to the survey.



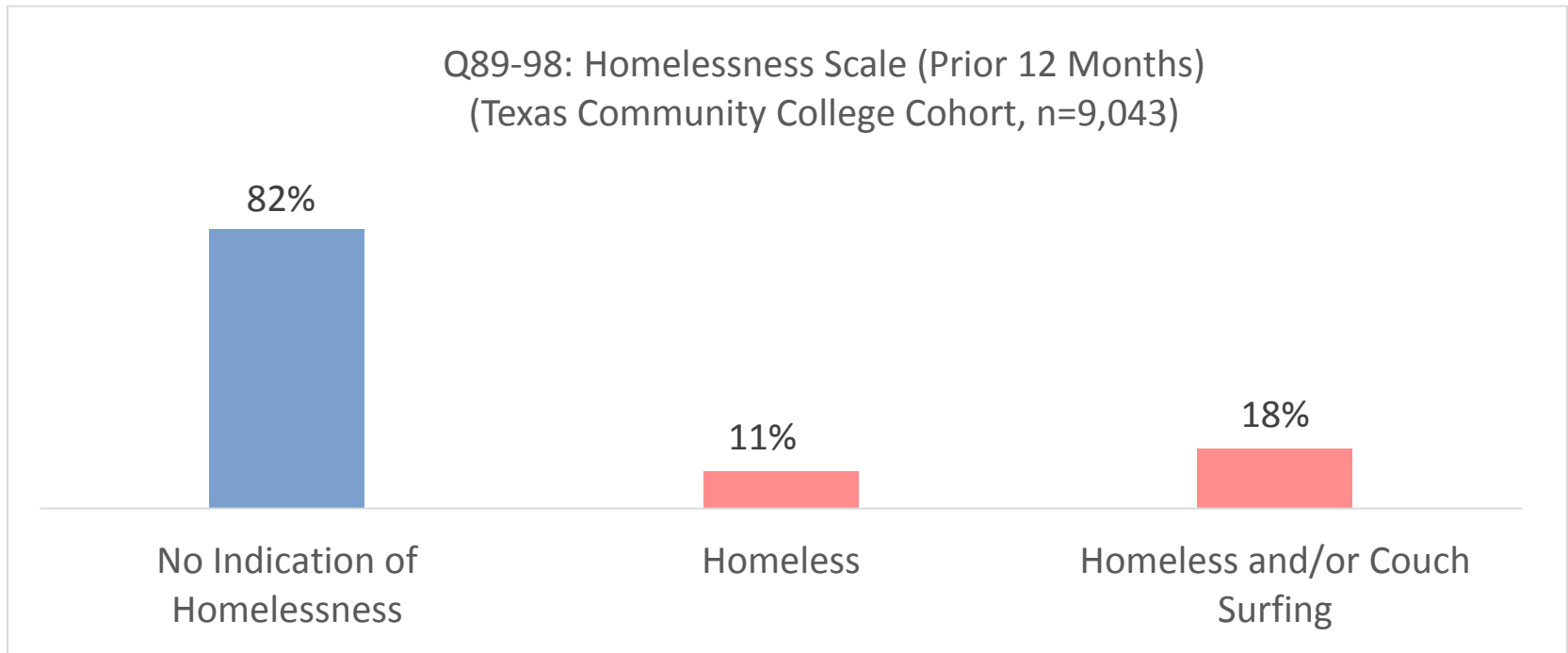
Basic Needs Security



- Housing insecurity also did not vary greatly by school sector, although Texas CCs respondents reported around 10 percentage points more housing insecurity.



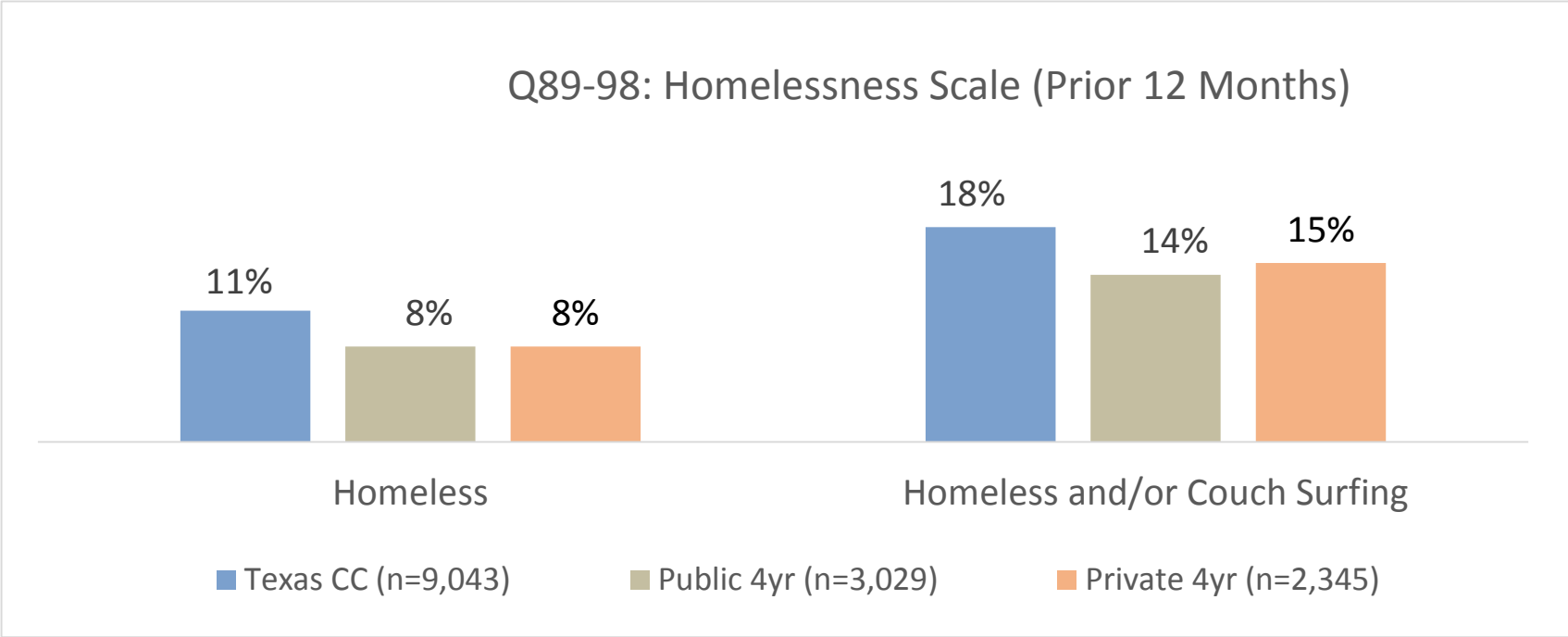
Basic Needs Security



- The HOPE Center and other leading researchers define a homeless person as “a person without a place to live, often residing in a shelter, an automobile, an abandoned building, or outside.”
- Eleven percent of respondents indicated being homeless within the 12 months prior to the survey, and 18 percent were homeless and/or without a home temporarily staying with a relative, friend, or couch surfing.



Basic Needs Security



- Homelessness also did not vary widely by school sector, although slightly higher for the Texas CC cohort.



Research to Practice: Basic Needs Security

- With this information, campuses can:
 - Provide and/or connect resources and financial education to students struggling to meet their basic needs.
 - Provide emergency support services for students such as food pantries, temporary housing or emergency funding.
 - Begin to engage in crisis support teams, which can work to holistically case manage identified students struggling with the aforementioned issues.





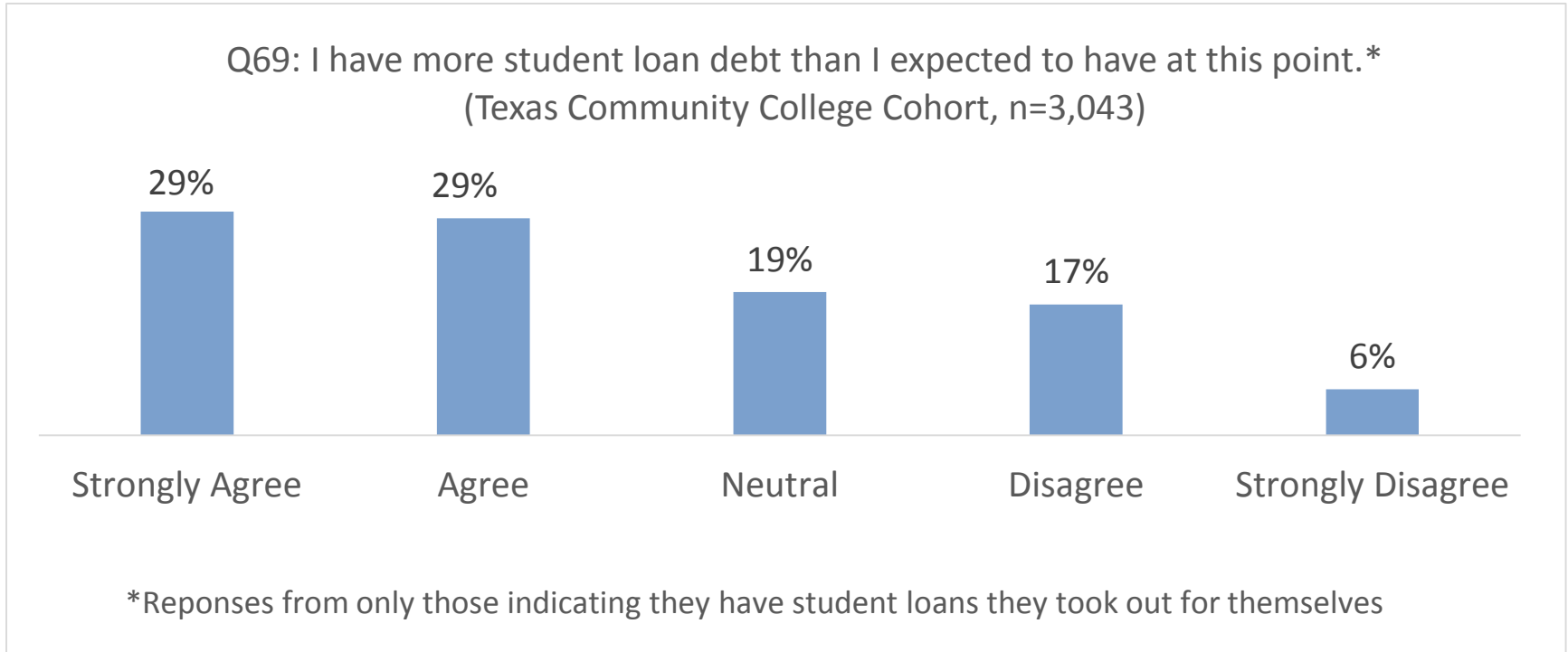
Findings – Paying for College and Student Debt

Paying for College and Student Debt

- Paying for college often involves piecing together money from a variety of sources, including federal, state, institutional, and private grants, family support, personal income, savings, and various loan products.
- The survey looks at these different sources of paying and explores attitudes around student loans, financial knowledge, and risky borrowing.



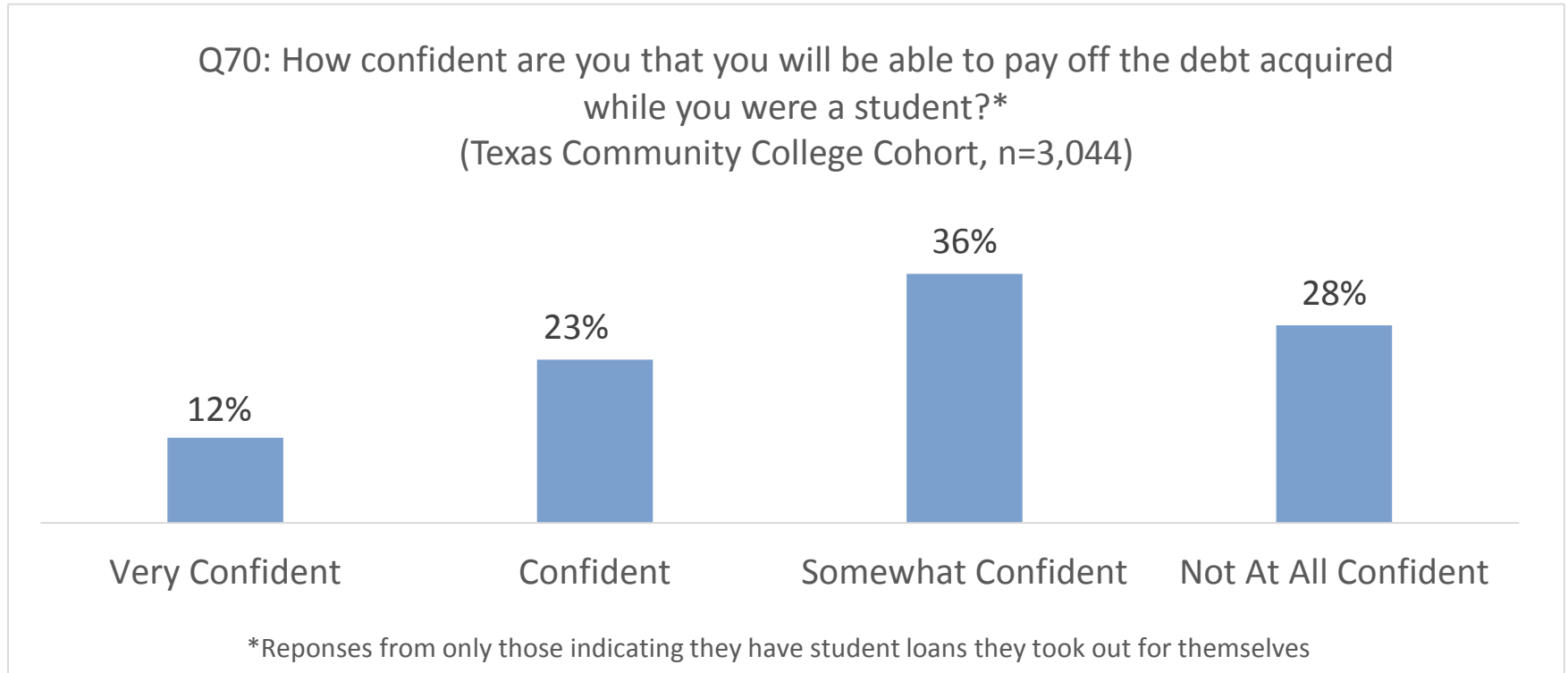
Paying for College and Student Debt



- More than half of respondents (58 percent) who borrowed agreed or strongly agreed with the statement that they had more student loan debt than they expected at this point.



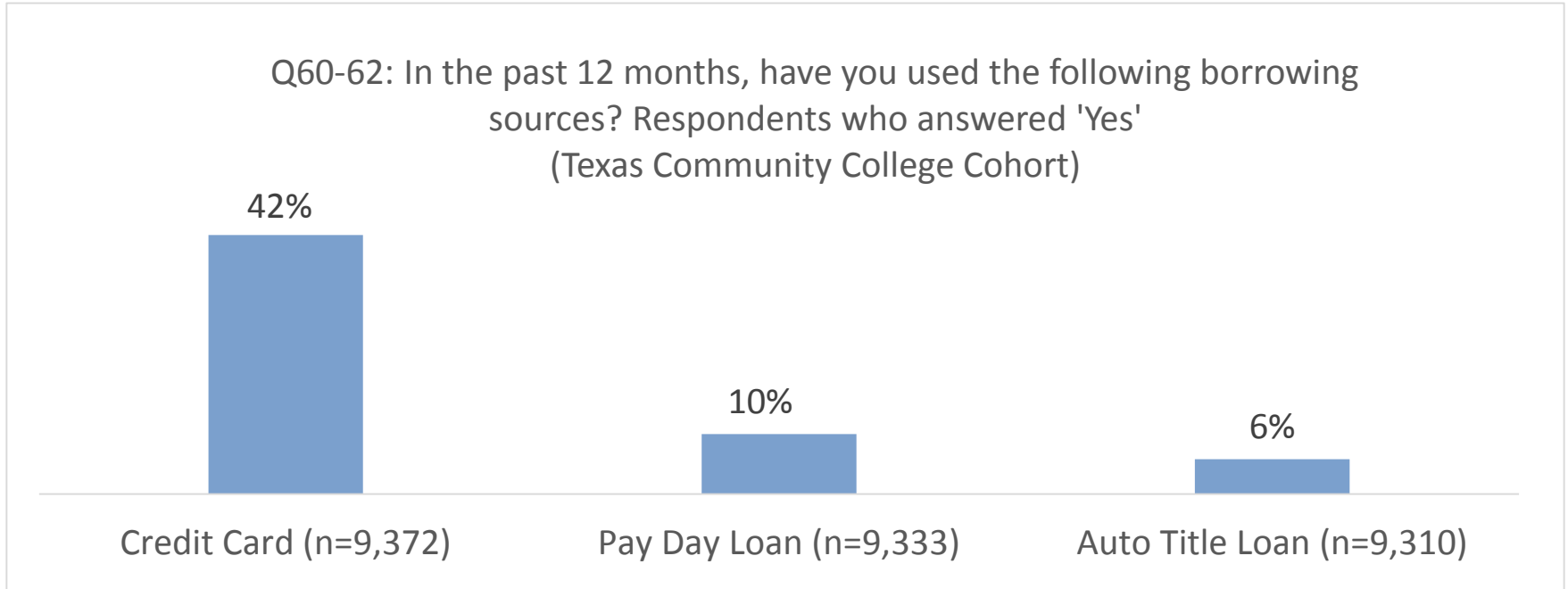
Paying for College and Student Debt



- Nearly two-thirds of respondents who reported having student loan debt were not at all confident (28 percent) or only somewhat confident (36 percent) that they would be able to pay off the debt acquired while they were a student.



Paying for College and Student Debt



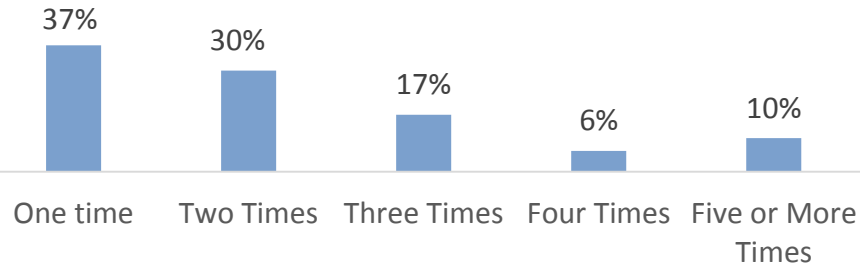
- Credit card debt is much more common than pay day loans and auto title loans, 42 percent of respondents reported borrowing on a credit card (for any reason, not just to pay for college) in the past 12 months.
- More than a quarter of respondents (30 percent) reported paying for college with a credit card (Q37).
- Ten percent reported taking out a pay day loan and six percent borrowed from an auto title loan.



Paying for College and Student Debt

Q66: In the past 12 months, how many times did you borrow a pay day loan?*

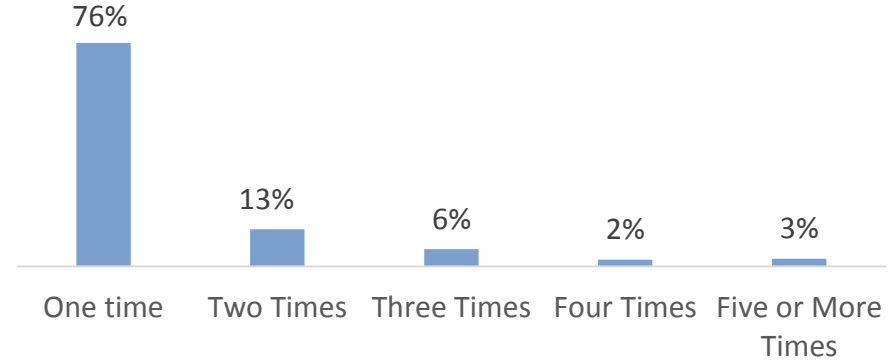
(Texas Community College Cohort, n=909)



*Reponses from only those indicating they borrowed a pay day loan in the prior 12 months

Q67: In the past 12 months, how many times did you borrow an auto title loan?*

(Texas Community College Cohort, n=520)

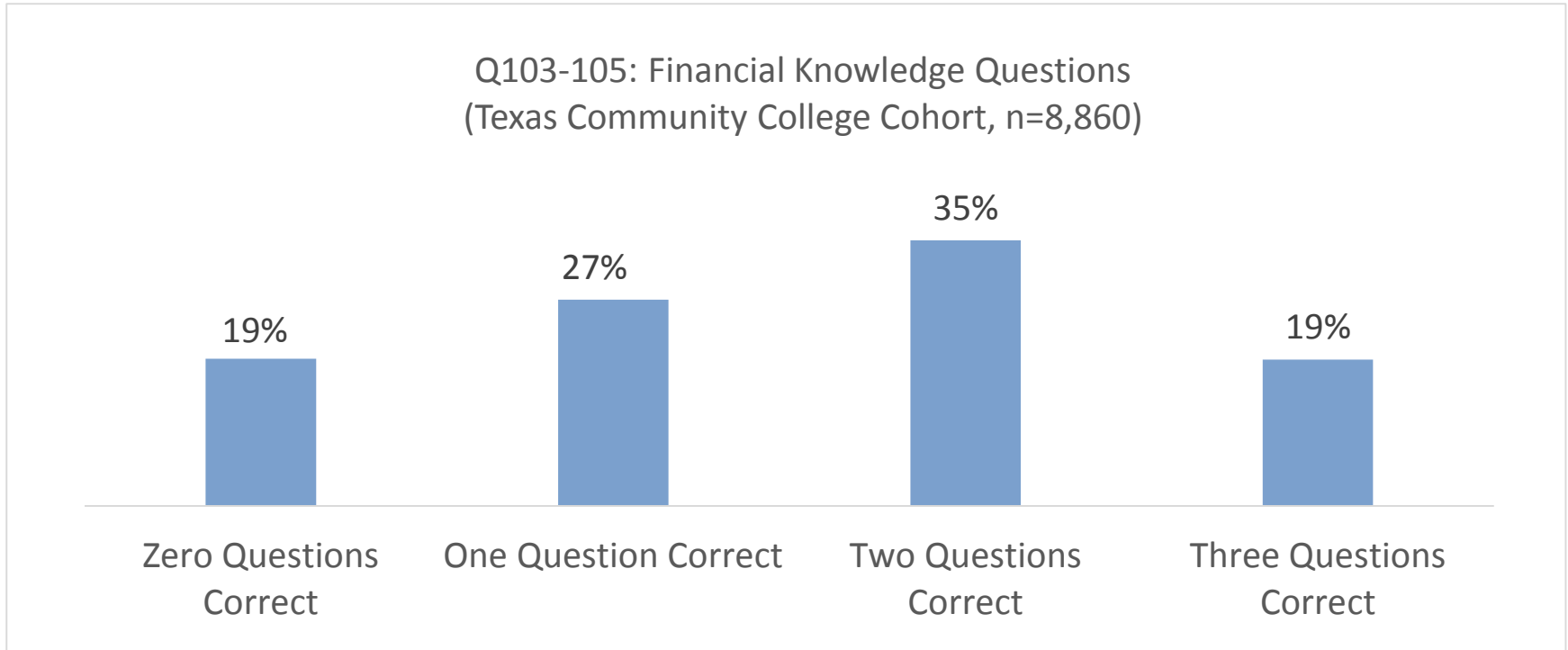


*Reponses from only those indicating they borrowed an auto title loan in the prior 12 months

- A third of respondents (33 percent) who borrowed a pay day loan borrowed one 3 or more times in the last year. This raises concerns about students being trapped in a high interest debt cycle.
- Most auto title loans (89 percent) were only borrowed once or twice in the past year by respondents who borrowed one.



Paying for College and Student Debt



- Used a three-question Lusardi scale
- Only 19 percent of respondents answered correctly on all three financial knowledge questions. However, 81 percent answered at least one correctly.



Research to Practice: Paying for College and Student Debt

- With this information, campuses can:
 - Evaluate the various student touch points that they have to provide additional support for student financial literacy and entrance counseling.
 - Look at the environmental factors that support healthy financial decision making, including campus policies and procedures related to student payments, collections and debt products on or near campus.
 - Explore additional ways to get students enrolled in safe, legitimate financial services products (such as bank accounts).





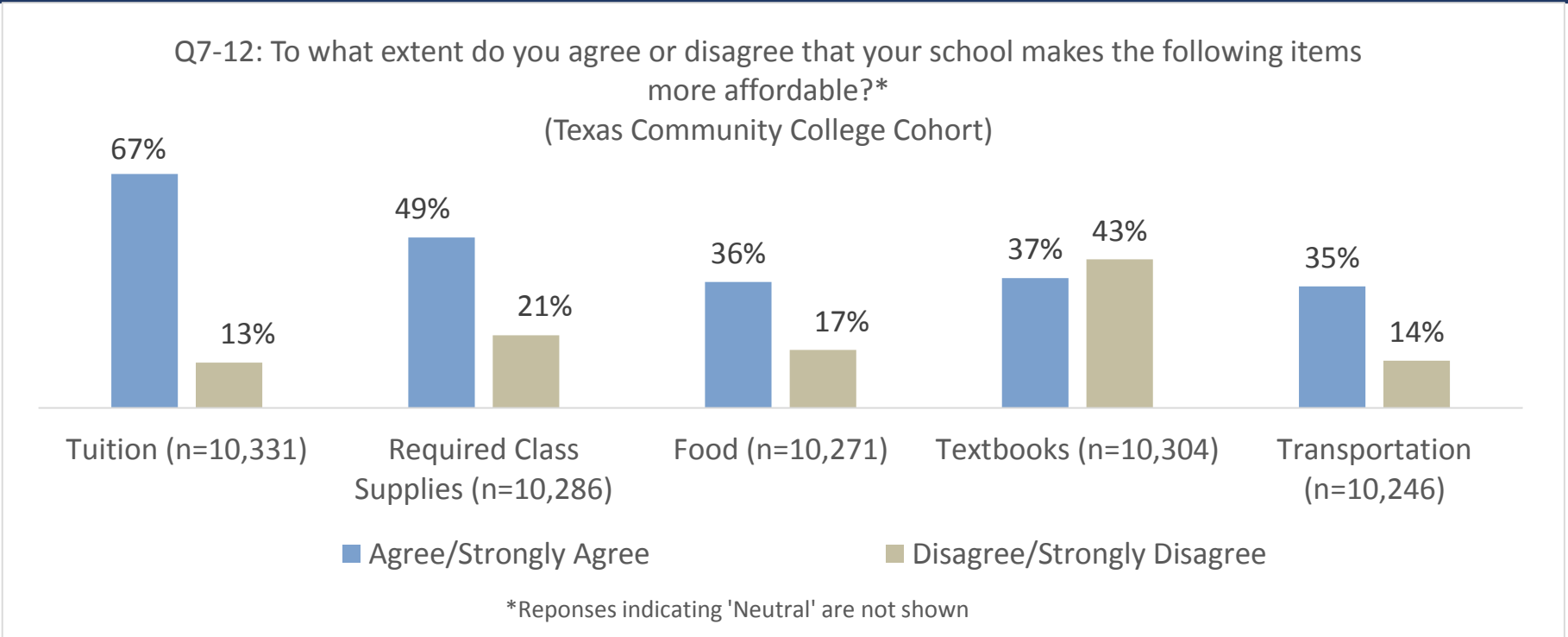
Findings – Student Perceptions of Institutional Support

Student Perceptions of Institutional Support

- Student perceptions about how their college understands their financial situation may contribute to a sense of belonging for students.
- Belonging has been linked in research to greater retention through certain high impact practices (e.g., research with faculty, campus leadership, learning communities).
- Survey also looks at where students talk about financial issues on campus, students' awareness of support services, and their perceptions of institutional affordability.



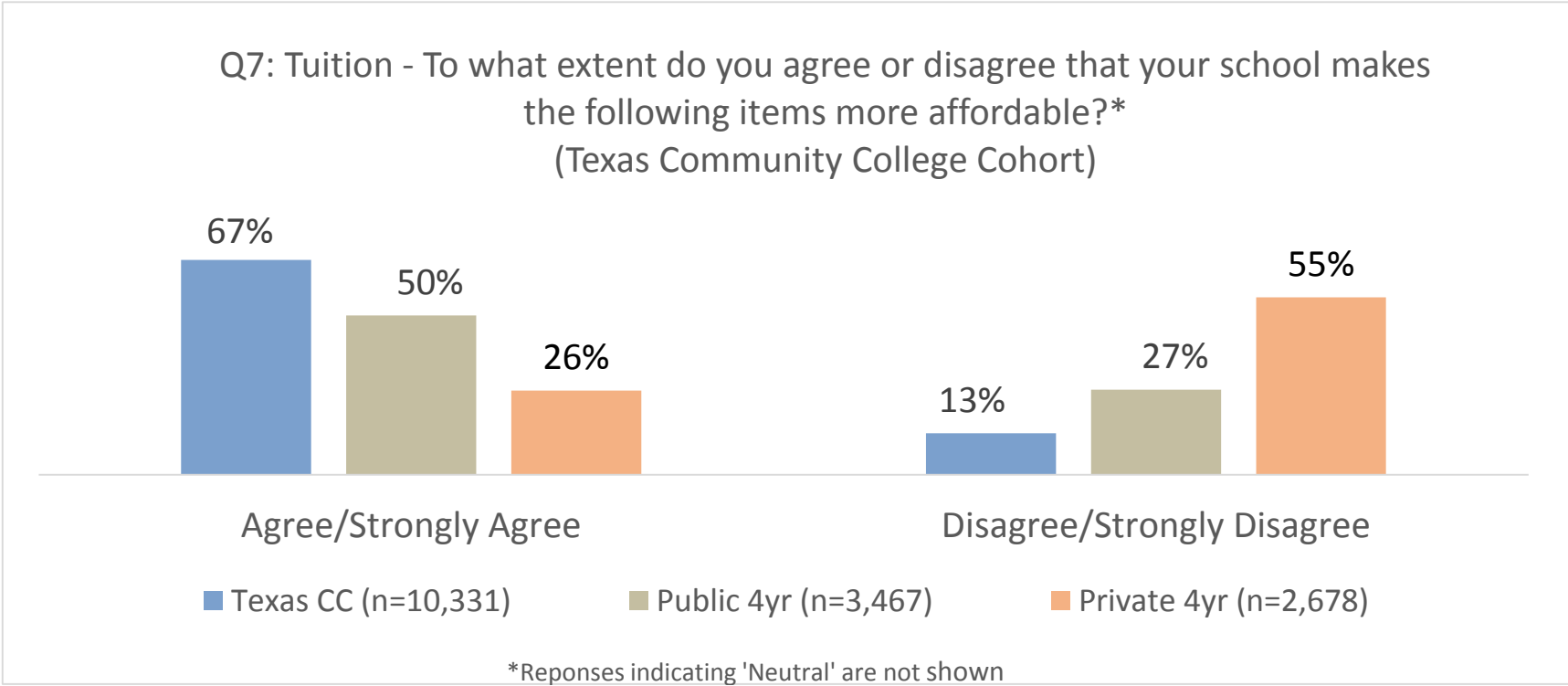
Student Perceptions of Institutional Support



- To varying degrees, many respondents reported that their school makes tuition (67 percent), required class supplies (49 percent), food (36 percent), and transportation (35 percent) more affordable.
- One common complaint of students is that many classes require textbooks that are too expensive and rarely used. More than a third of respondents (43 percent) disagreed or strongly disagreed that their school makes textbooks more affordable.



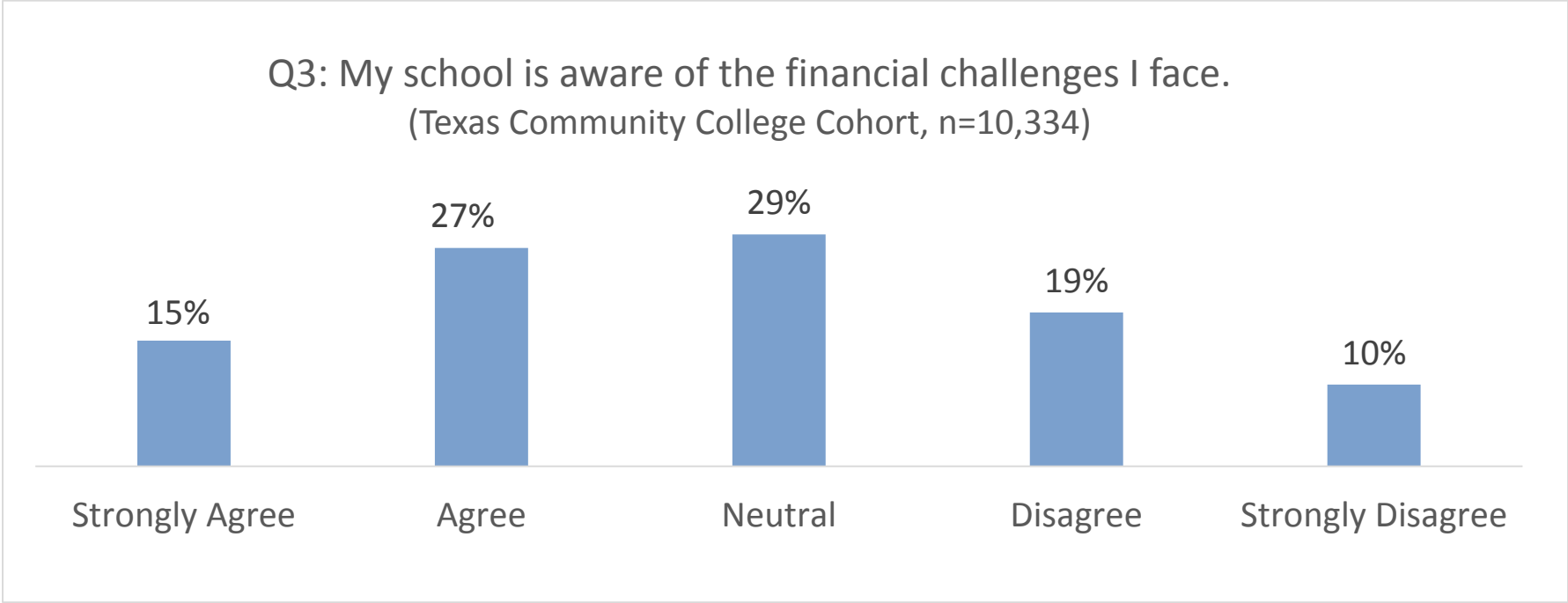
Student Perceptions of Institutional Support



- Respondents from the Texas Community College Cohort reported at greater rates that their school works to make tuition more affordable than respondents from public and private 4-year institutions.



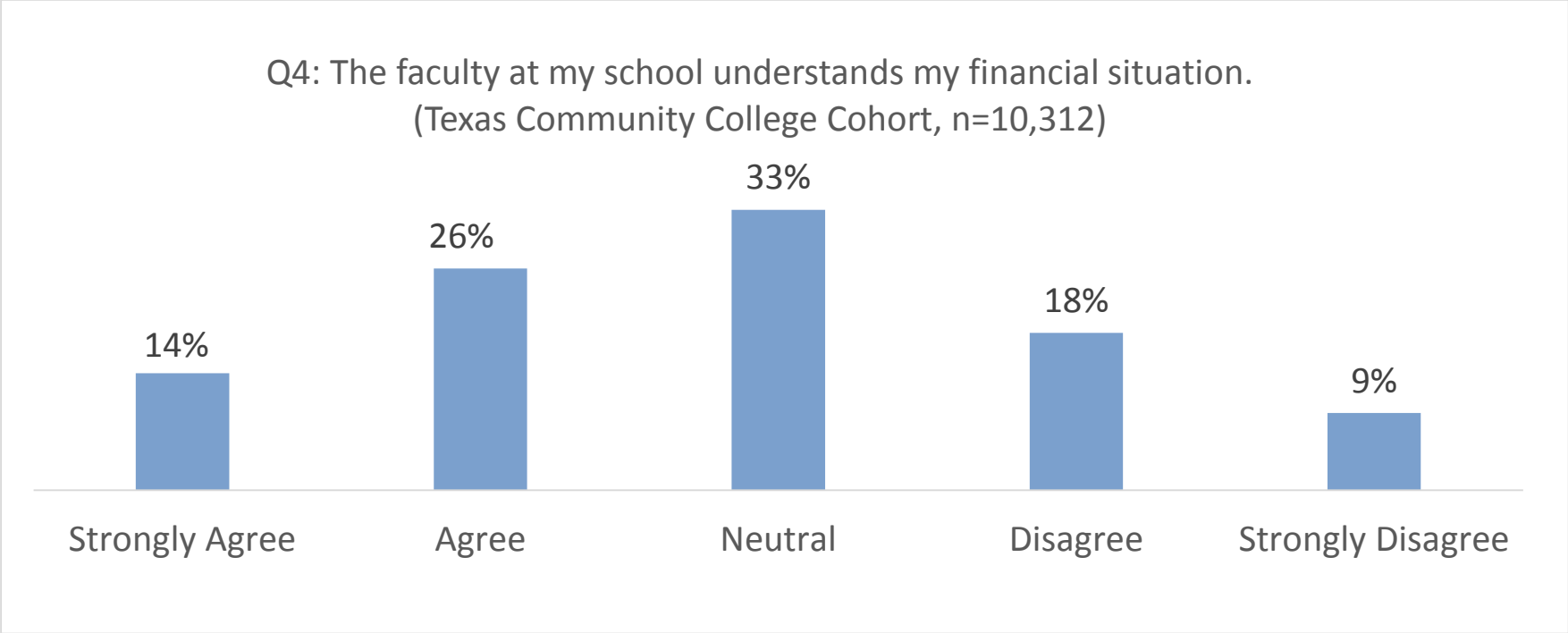
Student Perceptions of Institutional Support



- More than a third of respondents (42 percent) percent agreed or strongly agreed that their school is aware of their financial challenges, but 29 percent disagreed or strongly disagreed.



Student Perceptions of Institutional Support



- More than a third of respondents (40 percent) agreed or strongly agreed that their school’s faculty understand their financial situation, but 27 percent disagreed or strongly disagreed.



Student Perceptions of Institutional Support

Q25: Net Promoter Score (NPS)* How likely is it that you would recommend your school to a friend or family member?

	Texas CC	All Schools
Promoters (Score 9-10)	54%	48%
Passives (Score 7-8)	29%	31%
Detractors (Score 0-6)	17%	21%
Net Promoter Score (NPS)*	37.61	27.05
	<i>n=10010</i>	<i>n=18147</i>

- The Texas community college cohort had a higher Net Promoter Score (NPS) than other school sectors based on rating their school more positively when asked the question, “how likely is it that you would recommend your school to a friend or family member?”
- Any NPS greater than zero is generally considered good, with the highest performers usually between 50 and 80.
- Texas community colleges received a NPS of 37.6 from respondents. For comparison, respondents gave lower NPS for public 4-year (14.4) and private 4-year (-9.1) institutions in the survey.



Research to Practice: Student Perceptions of Institutional Support

- With this information, campuses can:
 - Evaluate how they message affordability to students. While tuition freezes and even small decreases are great strides, they may come off as insensitive to students who are facing daily cash flow challenges.
 - Work to provide intentional programs and discussions on campus related to reducing some supplemental costs of education.
 - Intentionally train staff and faculty about the financial realities of their student body.



SFWS Future Plans

- Next implementation period in Fall 2019, currently recruiting.
- We will be delivering reports for participating institutions in January 2019, and releasing a report of aggregate findings in early 2019.
- Analyzing the data set in more detail, including looking at select educational records provided for those students who consented to have their survey responses matched.





Inventory of Financial Stability Services

Research Methodology

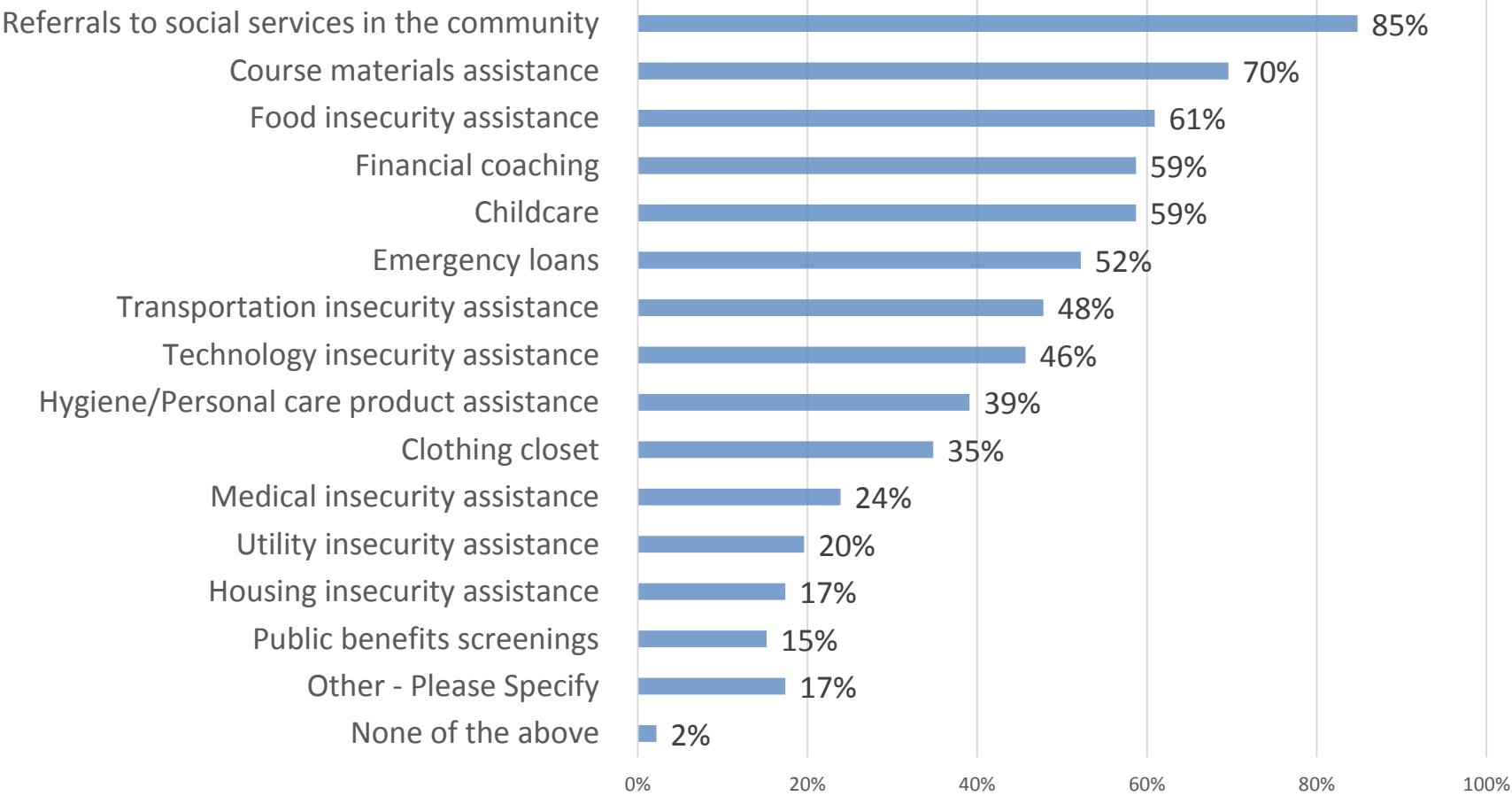
- Trellis Research conducted a survey of Texas Community Colleges participating in the Texas Pathways Institute to construct an inventory of services and practices on behalf of the Texas Success Center and Texas Association of Community Colleges (TACC).
- Survey launched on September 24, 2018
- We presented quite a few findings on financial wellness, this inventory can be used to point you towards promising practices and programming that other institutions use to address these concerns.
- The full report is available to you, we want to highlight some select findings here today.

Survey Metrics for Inventory of Financial Stability Services	
Number of Institutions	43 Texas CCs
Survey Population	47 CC Administrators
Responses	46 CC Administrators
Response Rate	98%



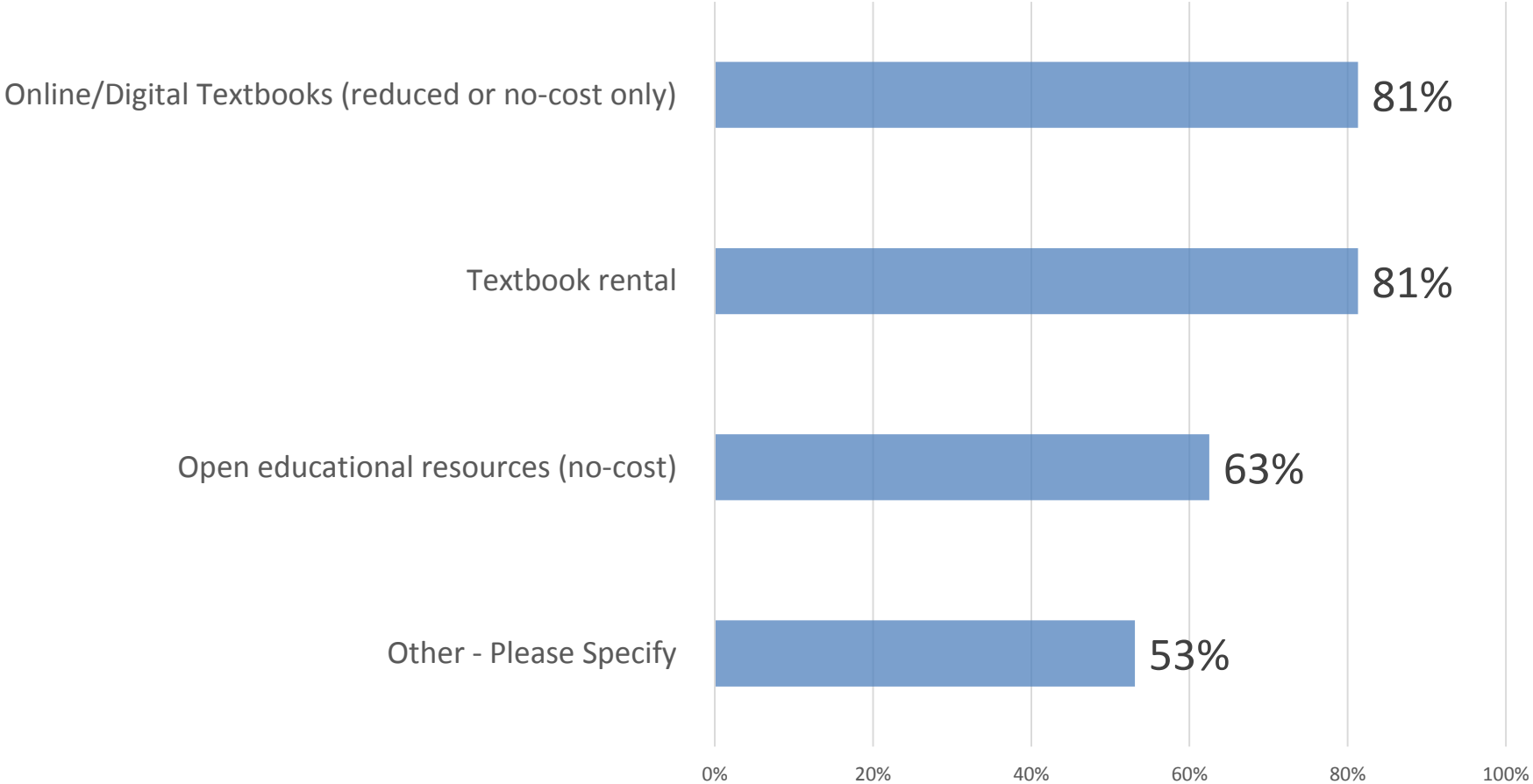
Inventory of Financial Stability Services – Findings

Q1: What financial stability services do you provide to students? Please select all that apply.



Inventory of Financial Stability Services – Findings

Q2: What types of Course Materials Insecurity Assistance does your institution provide? Please select all that apply. (of those who answered “Course Materials Insecurity Assistance” on Q1)



Questions?

Please follow us on Twitter: @TrellisResearch

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