Trellis’ Student Financial Wellness Survey

Fall 2019 Semester Results

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About Trellis Research

• Trellis Research provides colleges and policymakers insight into student success through the lens of college affordability.

• We invite you to visit our library of publications at www.trelliscompany.org/research.

• Please follow us on Twitter @TrellisResearch for notifications of new research publications and discussions of a variety of higher education topics.

• Please complete the survey after this presentation!
# Student Financial Wellness Survey

## Survey Metrics

<table>
<thead>
<tr>
<th></th>
<th>Two-year Institutions</th>
<th>Four-year Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Survey Population</strong></td>
<td>317,547 students</td>
<td>169,856 students</td>
</tr>
<tr>
<td><strong>Responses</strong></td>
<td>23,684 students</td>
<td>14,804 students</td>
</tr>
<tr>
<td><strong>Response Rate</strong></td>
<td>7.5%</td>
<td>8.7%</td>
</tr>
<tr>
<td><strong>Completion Rate</strong></td>
<td>84%</td>
<td>82%</td>
</tr>
<tr>
<td><strong>Median Time Spent</strong></td>
<td>14 minutes</td>
<td>12 minutes</td>
</tr>
</tbody>
</table>

- Survey launched on October 21, 2019
- Open for three weeks
- Seventy-eight institutions across 20 states participated:
  - 54 Public 2-year institutions
  - 15 Public 4-Year Institutions
  - 9 Private 4-Year Institutions
College Affordability Context
Students Have Unmet Need

Unmet need is the out-of-pocket cost of college students must come up with beyond expected family contribution and sources that don’t need to be repaid (e.g. grants, scholarships, work-study, etc)

Around three out of four students have unmet need. Average of $4,920 a year at public 2-year institutions and $9,134 at public 4-years.

Unmet need has risen by 23 percent since academic year 2011-2012

In Texas, even after adding student loans into the calculation, unmet need for low income students is around $8,000 annually at public 2-year institutions and $9,000 at public 4-year institutions.

Most students worry about paying for college. More than three in five students worry about having enough money to pay for school.
Affordability Concerns

Many students also lacked a financial plan to return for the next semester. Around a quarter of respondents did not know how they will pay for college next semester.
Supporting Family Financially
Supporting Family

Q53: It is important that I support my family financially while in college.*

<table>
<thead>
<tr>
<th></th>
<th>2-year Institutions</th>
<th>4-year Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree/Strongly Agree</td>
<td>54%</td>
<td>31%</td>
</tr>
<tr>
<td>Disagree/Strongly Disagree</td>
<td>20%</td>
<td>39%</td>
</tr>
</tbody>
</table>

*Responses indicating 'Neutral' are not shown

Many students are supporting family while attending college.
At 2-year institutions, students support children at greater rates. At all institutions, more than one in ten students support their parents financially while in school.
Paying for College
The sources students use to pay for college are broad.
How Students Pay for College

Q30-38: Do you use any of the following methods to pay for college? Respondents who answered 'Yes'

<table>
<thead>
<tr>
<th>Method</th>
<th>2-year Institutions</th>
<th>4-year Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current employment</td>
<td>61%</td>
<td>59%</td>
</tr>
<tr>
<td>Support from my parents and/or family</td>
<td>36%</td>
<td>63%</td>
</tr>
<tr>
<td>Personal savings</td>
<td>63%</td>
<td>49%</td>
</tr>
<tr>
<td>Student loan(s) I have taken out</td>
<td>35%</td>
<td>57%</td>
</tr>
<tr>
<td>Pell Grants and/or other grants</td>
<td>59%</td>
<td>55%</td>
</tr>
<tr>
<td>Scholarships</td>
<td>63%</td>
<td>33%</td>
</tr>
<tr>
<td>Credit cards</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Student loan(s) my parents took out</td>
<td>5%</td>
<td>24%</td>
</tr>
<tr>
<td>Veteran's benefits</td>
<td>5%</td>
<td>7%</td>
</tr>
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</table>

Most students use their current employment to pay for college. Around three in five students work to pay for college.
Respondents with jobs at 2-year institutions were more likely report working 40 or more hours while attending college.
Respondents with jobs at 4-year institutions were more likely to identify as students first and workers second.
Respondents at 4-year institutions – and their parents – take out student loans at greater rates than students at 2-year institutions.
Many students that borrow have little confidence in their ability to repay.
Students seldom estimate their student debt correctly – even while they are still in school.
How Students Pay for College

Credit cards are common but come with uncomfortable risks. More than a quarter of respondents report that they use credit cards to pay for college.
Credit Cards and Risky Borrowing

Q63: In the past 12 months, how many times did you use a credit card for something you didn't have money for? (of those who borrowed on a credit card)

<table>
<thead>
<tr>
<th>Frequency</th>
<th>2-year Institutions</th>
<th>4-year Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>15%</td>
<td>27%</td>
</tr>
<tr>
<td>One or More Times</td>
<td>85%</td>
<td>73%</td>
</tr>
<tr>
<td>Three or More Times</td>
<td>66%</td>
<td>54%</td>
</tr>
<tr>
<td>Five or More Times</td>
<td>45%</td>
<td>38%</td>
</tr>
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Students are also making purchases on a credit card for things they do not have money for.
Although many credit card users do pay their bill on time, many are not paying off their full balance.
Credit Cards and Risky Borrowing

Q60-61: In the past 12 months, have you used the following borrowing sources? Respondents who answered 'Yes'

- Pay Day Loan: 7% (2-year Institutions), 4% (4-year Institutions)
- Auto Title Loan: 7% (2-year Institutions), 4% (4-year Institutions)

Although less common than credit card borrowing, students also use payday and auto title loans.
How Students Pay for College

Q30-38: Do you use any of the following methods to pay for college? Respondents who answered 'Yes'

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Students also use a variety of other sources to pay for college.

- Support from parents and/or family
- Personal savings
- Grants
- Scholarships
Student Finances
Students Struggle Financially

Q50: I worry about being able to pay my current monthly expenses.*

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<td>53%</td>
<td>51%</td>
</tr>
<tr>
<td>Disagree/Strongly Disagree</td>
<td>25%</td>
<td>28%</td>
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</table>

*Responses indicating 'Neutral' are not shown

More than half of students worry about affording their current monthly expenses.
Students Struggle Financially

Q44: Would you have trouble getting $500 in cash or credit in order to meet an unexpected need within the next month?*

- 2-year Institutions: 61% Yes, 29% No
- 4-year Institutions: 57% Yes, 35% No

*Responses indicating 'I Don't Know' are not shown

Unexpected expenses are hard for students to cover. Many students could not get $500 to meet an unexpected need in an emergency.
Many students are running out of money throughout the year. A third of 2-year – and a quarter of 4-year – students ran out of money five or more times in the past year.
Q72: The amount of total debt (e.g., credit card debt, car loan debt, or money owed to family or friends) I have right now is overwhelming.

<table>
<thead>
<tr>
<th>Agree/Strongly Agree</th>
<th>Disagree/Strongly Disagree</th>
<th>I Do Not Have Other Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>46%</td>
<td>28%</td>
<td>9%</td>
</tr>
<tr>
<td>44%</td>
<td>29%</td>
<td>9%</td>
</tr>
</tbody>
</table>

*Responses indicating 'Neutral' are not shown

Students also hold debt – more than two in five respondents find their total debt to be overwhelming.
Basic Needs Security
More than half of respondents at 2-year and 4-year institutions showed signs of either low food security or very low food security.
Many students struggle to maintain secure housing; over half were housing insecure.
Basic Needs Security

Homelessness presents serious obstacles to achieving full academic potential. More than one in ten students experience homelessness.

Q89-98: Homelessness Scale

- 2-year Institutions:
  - No Indication of Homelessness: 85%
  - Homeless: 15%

- 4-year Institutions:
  - No Indication of Homelessness: 87%
  - Homeless: 13%
Student Perceptions of Institutional Support
A Net Promoter Score (NPS) is a research-based method to benchmark and compare customer satisfaction ratings across different services, businesses, and products. Those who score 9-10 are promoters, 7-8 are passives, and 0-6 are detractors. \( \% \text{Promoters} - \% \text{Detractors} = \text{NPS} \). A positive NPS (>0) is generally considered good, with highest performers usually between 50 and 80.

### Q25: Net Promoter Score (NPS)*

How likely is it that you would recommend your school to a friend or family member?

<table>
<thead>
<tr>
<th></th>
<th>Public 2yr</th>
<th>Public 4yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoters (Score 9-10)</td>
<td>55%</td>
<td>35%</td>
</tr>
<tr>
<td>Passives (Score 7-8)</td>
<td>29%</td>
<td>38%</td>
</tr>
<tr>
<td>Detractors (Score 0-6)</td>
<td>16%</td>
<td>27%</td>
</tr>
<tr>
<td>Net Promoter Score (NPS)*</td>
<td>39.46</td>
<td>8.68</td>
</tr>
</tbody>
</table>

n=22,764  n=12,118
Student Perceptions

Students disagree over the extent that their schools understand their financial challenges.

Q3: My school is aware of the financial challenges I face.

- **2-year Institutions**
  - Agree/Strongly Agree: 40%
  - Disagree/Strongly Disagree: 29%

- **4-year Institutions**
  - Agree/Strongly Agree: 32%
  - Disagree/Strongly Disagree: 39%

*Responses indicating 'Neutral' are not shown*
Respondents at 2-year institutions were more likely to report their institutions work to make tuition more affordable.
One common concern of students is that many classes require textbooks that are too expensive and rarely used.
How Institutions are Supporting Students
How Institutions Can Help - Advising

- Paying for college can be challenging, and sometimes funding sources (e.g., savings, parental contributions, work, etc.) can dry up.

- Some institutions help students create a financial plan which complements their academic plans for degree completion.

- Helping to get students enrolled in savings accounts.

- Begun to engage in crisis support teams, which can work to holistically case manage identified students struggling with basic needs insecurity.
How Institutions Can Help - Resources

Some institutions help students connect to resources – or learn where to get help – when experiencing financial challenges.

Provided emergency support services for students such as food pantries, temporary housing, transportation vouchers/assistance, and/or emergency funding.

Encouraged faculty to put campus basic needs resources in their syllabus to reach at-risk students.
How Institutions Can Help - Resources

- Ensured low-price and healthy food options at all campus dining areas (where applicable).

- Colleges have also seen measurable improvements in student success outcomes when students receive a combination of support services and financial resources.

- Provided and/or connected campus resources and financial education to students struggling to meet their basic needs; market in a high-profile way to destigmatize.
How Institutions Can Help – Campus Culture

- Implemented staff/faculty training on the financial realities of their student body.

- Created communication strategies to provide realistic cost of education estimates to students and to inform students of the work being done to address their financial challenges.

- A key to any institution’s strategic student success plan is to have the data to better understand the student experience.

- Trellis’ Student Financial Wellness Survey is a service offered free of charge to all institutions. Sign up now for the Fall 2020 implementation.
Questions?

Please follow us on Twitter: @TrellisResearch

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Proven Services.
Extraordinary Support.