

# 70 percent of college students stressed about finances

July 1 2015

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Credit: George Hodan/public domain

Seven out of 10 college students feel stressed about their personal finances, according to a new national survey.

Nearly 60 percent said they worry about having enough money to pay for school, while half are concerned about paying their monthly expenses.

The findings suggest that the pressures of student loan debt and finding ways to make ends meet are weighing on America's college [students](#), said Anne McDaniel, co-author of the study.

In fact, 32 percent of students reported neglecting their studies at least sometimes because of the money they owed.

"The number of students feeling financial stress is striking," said McDaniel, who is associate director of research and data management at The Ohio State University's Center for the Study of Student Life.

"We need to help students manage their stress so they can be conscientious about their financial decisions, but not so overwhelmed that it hurts their academics or health," added co-author Catherine Montalto, an associate professor of human sciences at Ohio State.

The findings come from the National Student Financial Wellness Study, which surveyed 18,795 undergraduate students at 52 colleges and universities across the country. It included students from four-year and two-year private and public institutions.

The study was conducted by a research team from Ohio State's Office of Student Life and College of Education and Human Ecology.

The survey found that despite the stress of paying for college, more than three-quarters of students think college is a good investment for their financial future and believe they will be able to support themselves after graduation.

"Students feel good about their decision to go to college and think it will pay off in the end," Montalto said.

While there has been a lot of research about student loan debt and

default rates, this survey fills a gap by exploring the day-to-day financial lives of college students, said study co-author Bryan Ashton, assistant director of Ohio State's Student Life Student Wellness Center.

"This survey was designed to give a more comprehensive picture of the financial lives of students beyond just their debt levels and loans," he said. "We wanted to find out more about how they were managing their financial lives on a daily basis."

The survey found that 64 percent of college students used loans to help pay for college, which is similar to what other studies have found. Students also indicated a willingness to borrow more to finance their college education if they expected higher starting salaries upon graduation.

When asked how they paid for their tuition, students were most likely to say either loans or scholarships and grants (35 percent each).

While parents and family were mentioned as the primary source of funding for housing and books, 17 to 19 percent of students said they relied mostly on loans.

For those with loans, nearly one-third owed less than \$10,000. But one in five owed more than \$30,000.

When asked how much student loan debt they expected to have at graduation, the most common response (24 percent) was between \$30,000 and \$50,000. But 14 percent of responding students expected to owe between \$50,000 and \$80,000 and 7 percent thought they would owe more than \$80,000.

McDaniel said she was concerned by how many students with loans borrowed right up to their limit.

"About 30 percent of students with loans said they borrowed the maximum amount for which they qualify each year, which may not always be the best choice," she said.

"But the good news is that about half the students with loans said they tried to borrow as little as possible."

Most students seem to have a good handle on credit card debt, the survey showed.

About 43 percent of students don't have a credit card and, of those who do, nearly half (47 percent) pay off the full balance each month. Of those who don't pay off the full balance, the majority (55 percent) owe less than \$1,000.

However, a sizable minority (8 percent) owe more than \$3,000 after their monthly payments.

Financial problems lead some students to make difficult choices, the survey found. Nearly three out of 10 students said they reduced their class load because of the money they owed, while 16 percent took a break from their college or university and 13 percent transferred to another institution.

Still, the students generally felt good about how their finances would turn out in the long run.

Nearly 8 out of 10 said they believed they would be able to pay off any debt they acquired while they were still in school and 67 percent said that, when they thought about their financial situation, they were "optimistic about their future."

Montalto said the survey results reported here are just the beginning of a

long-term project. The Ohio State researchers will use the data to dig deeper into the financial wellness of [college students](#), looking at the links between student borrowing, stress, graduation and other factors.

They plan to do another [survey](#) in two years with a larger group of participating institutions.

Provided by The Ohio State University

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