

Study: Student debt may hurt chances at full-time employment

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A recently published study led by The University of Texas at Arlington says that student debt may hurt students' chances of securing full-time employment due to added pressure in their job search.

Ariane Froidevaux, assistant professor of management in the College of Business, is first author of "Is Student Loan Debt Good or Bad for Full-Time Employment Upon Graduation From College?" in the *Journal of Applied Psychology*.

In 2020, [student](#) loan debt in the United States hit a record high of \$1.56 trillion, according to the Institute for College Access & Success, with the average student loan debt at about \$30,000. Previous studies have found significant long-term consequences of student loan debt, such as reduced wealth accumulation and homeownership.

"Student debt mainly had more negative effects on [college students'](#) likelihood of securing a full-time job than beneficial ones," Froidevaux said. "You can do certain things like getting a job during the summer that may help you get a full-time job upon graduation. But in the end, [student debt](#) leaves students with a lot of [stress](#), and it is long-lasting."

Mo Wang of the University of Florida, Jaclyn Koopmann of Auburn University and Peter Bamberger of Tel Aviv University co-authored the article. The researchers say that having student loan debt is a financial stressor to students that leads to additional stress during their [job search](#), which in turn can harm their chances of securing a full-time job.

"Student loan debt creates an anticipated loss of financial resources, which brings higher levels of stress to student job-seekers," said Froidevaux, who is a fellow of the Eunice and James L. West Distinguished Professorship. Her research interests include career transitions, retirement and aging in the workplace, and identity negotiation.

The more financially strained individuals are, the less likely they are to have sufficient energy and motivation to invest in their search for a successful job placement, she said. Results from the study also suggest that students who are more stressed about their student loans were likelier to work more hours in part-time [jobs](#). This stress in searching for a job reduced the likelihood of securing full-time employment upon graduation from [college](#). The research team used data from 1,248 graduating seniors from four different American universities.

The researchers suggest students can ease the strain of debt by recognizing that it will occur and taking steps to reduce that stress. Froidevaux said that if students reappraise debt as an investment in future earnings, they sometimes can better deal with it.

The research team suggests that students aren't the only ones who can take steps to ease the burden of loan debt. University career development offices should consider adopting job search interventions aimed at improving stress management and financial planning. Businesses, too, can support their new employees by implementing human resource policies such as student loan repayment assistance.

"Student loan debt is a fact of life for most [college graduates](#)," said George Benson, professor and chair of the Management Department in the College of Business. "This research shows that the impact goes beyond the [debt](#) itself. I like that the research gives recommendations for ways to reduce stress. It also has suggestions for those businesses that

hire our graduates to help those stress levels."

More information: Ariane Froidevaux et al, Is student loan debt good or bad for full-time employment upon graduation from college?, *Journal of Applied Psychology* (2020). [DOI: 10.1037/apl0000487](https://doi.org/10.1037/apl0000487)

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