

New study reveals steady rise in multiple funding methods needed to pay for college

March 8 2023, by Jon Niccum



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Few costs have ballooned more than those of earning a college

education. As such, the methods students pursue to fund college have also expanded.

A new study explores the association between the use of multiple [funding](#) sources and how that affects future educational pursuits.

"Pursuing multiple funding sources used to imply ambition," said ChangHwan Kim, professor of sociology at the University of Kansas. "Now it implies desperation."

His article titled "Changing Undergraduate Funding Mix and Graduate Degree Attainment" reveals the proportion of students who utilize only one or two funding sources decreased over recent decades, while those juggling three or more increased. Students mobilizing multiple sources have also become less likely to obtain a graduate degree. The study appears in *The Journal of Higher Education*.

Co-written by former KU doctoral student Byeongdon Oh of the University of California, Berkeley, the pair's study finds that one funding source is typically insufficient. Mixing three or more funding resources is currently the most common financial strategy.

"In older days, if you funded through multiple resources, it actually indicated you are capable. More ambitious. You knew how to work within the system," Kim said.

"Now people try to find multiple resources because they are desperate. One is never enough. So in older days, if you funded your school through work, you were equally likely to go to grad school compared to people who were funded by their family. Today there are clear disadvantages."

This research accesses the 2013, 2015 and 2017 National Survey of College Graduates by exploring the change in funding mixes across three

cohorts: those born in 1953–1962, 1963–1972 and 1973–1982. The NSCG asks whether the respondent utilized each of 10 funding sources for college tuition, room and board, fees, books and supplies:

- Family contributions, not to be repaid
- Tuition waivers/fellowships/grants/ scholarships
- Assistantships or work-study
- Personal earnings
- Personal savings
- Employer support
- Assistance from the Veterans Educational Assistance Act (i.e., G.I. Bill)
- Loans from schools, banks or government
- Loans from parents or relatives
- Other resources.

The sample size for each of these data sets averaged 15,000 respondents.

Also accompanying such rising costs is rising debt.

Kim said, "Those who use multiple funding sources usually receive some money from family. And they usually work. But neither [family support](#) nor their own work is enough. So in response, they add debt."

Thus the reason for the drop in pursuing further schooling: Students accumulate so much debt from their undergraduate degree that the last thing they want to do is pile on more for a [graduate degree](#), according to Kim.

The need for numerous funding sources is related to institutional changes as well, the study concludes. Policymakers have increased loan eligibility for a wider variety of students through a series of institutional changes, such as the Higher Education Amendments of 1992 and the College Cost

Reduction and Access Act of 2007. A loan represents an attractive and widely exploited option for middle-class families as well.

"It's just a gradual change over time. It's not tied to any event or the economy," Kim said. "It's more about the [gradual change](#) in our education system. The whole American system has moved from supporting the university to supporting individuals. Then they make all those steps of borrowing money much easier."

In his article, Kim referred to college being considered "the great equalizer." Is it?

"Over time, the impact of college as a great equalizer has diminished. But nonetheless, I believe it is still a great equalizer," he said.

Both Kim and Oh are natives of Seoul, although they met in Kansas. Kim has taught at KU for 15 years, and he researches the labor market. His previous papers on college funding issues include "Broken Promise of College? New Educational Sorting Mechanisms for Intergenerational Association in the 21st Century" and "Are They Still Worth It? The Long-Run Earnings Benefits of an Associate Degree, Vocational Diploma or Certificate, and Some College."

For his own university funding, Kim utilized a scholarship and parental support to pay for his undergraduate degree in South Korea. He recalled that per-semester tuition was around \$1,000.

"At this time, if I worked by myself, I could make about \$300 per month and pay my own tuition," said Kim, who earned his doctorate from the University of Texas.

Currently, it's almost impossible for a student-level job to pay for the average cost of college.

"America is quite unique in this sense. Many European countries provide pretty cheap education to everyone. We have this mentality of [college](#) is for everybody," Kim said. "Yet we make this education much more expensive than almost anywhere else."

More information: Byeongdon Oh et al, Changing Undergraduate Funding Mix and Graduate Degree Attainment, *The Journal of Higher Education* (2023). [DOI: 10.1080/00221546.2023.2171210](https://doi.org/10.1080/00221546.2023.2171210)

Provided by University of Kansas

Citation: New study reveals steady rise in multiple funding methods needed to pay for college (2023, March 8) retrieved 24 June 2024 from <https://phys.org/news/2023-03-reveals-steady-multiple-funding-methods.html>

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