

## **Financing your Future: College Students' Debt and Postgraduate Plans**

Marie Buchner, Katherine Fitzgerald, Emily Goodhue, Mac Leydon

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### **Abstract**

#### **Financing your Future: College Students' Debt and Postgraduate Plans**

Recent studies have analyzed the effect of students' educational debt on their lives after college, focusing on how debt affects students' choice of first job and their decisions about graduate or first professional school. Our research focuses on the relationship between students' demographic variables, their feelings of constraint due to their educational debt, and the extent to which they consider their financial situation when choosing a job. We surveyed a random sample of undergraduate students from a small, private liberal arts college in the upper Midwest. Our survey measured students' attitudes toward educational debt and postgraduate career options. With that data, we tested the following hypotheses: 1) students who feel more constrained by their educational debt are more likely to consider their financial situation when choosing a job; 2) students from a lower socio-economic status will report feeling more constrained in their postgraduate options. Our results suggest that both of our hypotheses are statistically significant

### **Literature Review**

Financial knowledge and behavior amongst college students has become a topic of increasingly intense focus. Over the course of the last 20 years, student debt levels have risen considerably. In 1987, the average amount of student debt was around \$11,000 (Baum 2003). By 2002 this number had more than doubled, with students on average accumulating around \$27,000 in student debt. Yet, while debt and financial insecurity appear to be on the rise, students are ill-equipped to understand and manage their finances. In addition to being burdened with higher levels of debt, undergraduate college students are relatively uninformed about understanding and managing personal finances. When tasked with answering a 3-

question survey about financial literacy, only 27% of total respondents answered all 3 questions correctly (Lusardi 2010).

Studies about the financial knowledge and behaviors of college students have investigated a number of topics, including compulsive buying (LaRose 2002), financial knowledge (O'Connor, N., F.M. Hammack, and M.A. Scott. 2010), parental socialization (Shim et. all 2009), and financial education (Peng et. all 2006). For our research we chose to focus in on undergraduate debt and its relationship with postgraduate plans. Specifically, we are looking at student debt as it relates to the workforce (Minicozzi 2005), graduate school (Zhang 2010), perceptions of debt (Baum 2003), and the effects of race, class, and gender on student debt (Dwyer et. all 2013).

### **Debt and the Workforce**

Debt is one of the largest factors in selecting a first job. When students are more concerned with their debt, they are more likely to seek out jobs with higher starting salaries. Although these students have higher starting salaries, these jobs tend to have little to no upward mobility. Research shows that these students with an additional \$1,000 of educational related debt produces an approximate 1% wage increase after one year after leaving school (Minicozzi 2005). People with higher amounts of debt tend to work longer hours than those with less educational debt. Debt impacts students' short-term career plans because students with high levels of debt will seek out and accept positions with higher starting salaries. However students in this position face less potential salary growth in order to gain a short-term increase in their income. (Minicozzi 2005).

Students who work in careers unrelated to their college major that carry little future career potential report lower earnings than students working in major-affiliated fields (Thomas 2000). Health-related majors reported a 46% earnings advantage compared to students in the humanities. Those students who majored in humanities report the highest debt ratio, along with

some of the lowest pay rates (Thomas 2000). With the presence of \$10,000 in debt, students tend to avoid low-paying sectors, like government, public service, nonprofits, and education (Rothstein and Rouse 2011).

### **Graduate School and First Professional School**

Throughout our research many studies illustrated how educational debt is substantially related to applying to graduate and first professional school. First professional school is a type of institution that prepares individuals to be licensed or certified in order to practice in specific professional fields (Millett 2003; Zhang 2013). Scholars agree that the role debt plays in graduate school application and enrollment did not appear to affect all types of students equally. For instance, if a student graduates from a private university or college their debt does not seem to deter them from entering graduate school (Zhang 2010). However, with just \$1,000 of additional debt, public university student's application to graduate school was reduced (Zhang 2010).

Additionally, amount of debt is a reliable factor in whether or not a student decides to apply to graduate or first professional school. A longitudinal study from 1992-1993 found that students who had more than \$5,000 in debt were substantially less likely to apply to a graduate or first professional school (Millett 2003). This same study found students with educational debt are 1.6 times less likely to apply to graduate or first professional school (Millett 2003). While debt may affect a student's decision to apply for graduate school, it does not seem to affect students once they are enrolled in graduate school. However, while the amount of debt affects whether students apply to graduate or first professional school, scholars argue that educational debt does not deter graduate or first professional enrollment (Fox 1999; Millett 2003).

### **Financial Situation and Perceptions of Debt**

Students concerns about their educational debt appear to be increasing. A longitudinal survey examining results from a survey about the Nellie Mae loans found that in 1987 only 31% of students reported wanting to take on fewer loans if they had to do college over again (Baum 2003). However, by 2002 nearly 54% of respondents answered 'yes' to the aforementioned question. Additionally, the most recent Nellie Mae survey found that 80% of students who responded to the survey stated that they in some ways felt constrained by their loans (2003). Researchers also found data that supported the notion that the greater a student perceives their debt burden to be, the more likely they are to alter their postgraduate plans. 40% of respondents said that their debt burden caused them to delay returning to graduate school (2003). Negative perceptions of debt, then, were increasingly common.

While many students felt constrained by their levels of debt, they also believed that debt was necessary for them to pursue their educational goals. 58% of respondents indicated that loans played an important role in helping them attend the college of their choice (Baum 2003). Additionally, nearly a third of students stated that they believed their loans were essential for them in continuing on their education beyond high school and attending a college they desired to attend. Students, then, appeared to view their debt as both constraining and necessary. On the one hand, their loans helped them to achieve their short-term educational goals – attending some sort of schooling beyond high school. However, these short-term educational gains led to future financial uncertainty.

### **Student Demographics: Gender, Class and Race**

Women and men have different relationships to debt, and their debt has different effects on their likelihood of applying to graduate or first professional school. Women are more likely to take out college loans than men; each year, 40% of women and only 34% of men take out college loans (Dwyer, Hodson, and McCloud 2013). This difference is relatively unchanged

even after controlling for college preparation, college experience and family background (Dwyer et al. 2013). However, the mean amount of debt that women and men take out is roughly equivalent – women take out \$4,726 while men take out \$4,709 (Dwyer et al. 2013).

Men are more likely than women to drop out at lower levels of debt because gender inequalities in the labor market make a college degree much more useful to women than to men. The average entry-level salary for a female college dropout is \$6,500 less than that of a female college graduate whereas there is not an important difference between the starting salaries of male college graduates and male non-college graduates, at least in the first few years out of college (Dwyer et al. 2013). Gender also considerably affects students' likelihood to apply and enroll in graduate or first professional school. Men were found to be 1.5 times more likely than women to apply to graduate or first professional school (Millett 2003). Additionally, there was a modest relationship between women's undergraduate debt and their likelihood of enrolling in graduate school; women with undergraduate debt were found to be slightly less likely to enroll in graduate and first professional school (Fox 1992).

Students' family background or 'class' has been found to play an important role in their levels of and attitudes toward college debt. Students from lower family income levels were 7.2 times more likely than students from upper family income levels to report the highest level of debt burden (Price 2004). The author of this study, published in 2004, suggests that this could be explained in part by the decrease in need-based grants in the late 1990's leading up to the study (Price 2004). Students from lower socio-economic status were more likely to allow their financial situation to constrain their choices of university than were their peers from higher socio-economic status (Callender and Jackson 2008). Lower-income students were more likely than their higher-income peers to conceive of the costs of higher education as a debt instead of an investment and to allow fear of debt to drive their choice of university (Callender and Jackson 2008). Students from lower socio-economic status were also less likely to graduate from

college because students' levels of loans negatively impact their likelihood of graduation (Dongbin 2007).

Race and ethnicity considerably impact students' relationship to debt and college graduation. Black and Latino students were overrepresented in the group of students with debt burdens over 8% (Price 2004). Loans negatively impact the persistence rate of students of color: black and low-income students with higher levels of debt from student loans in the first year or college were less likely to graduate from college (Price 2004). This trend then negatively impacts their ability to pay off their college debts. The overlap of race and family income complicate relationships between students' debt and race and family income (Price 2004). But even after one controls for family income, black students were more likely to have an educational debt burden 4 years after graduation than were white students (Price 2004). Additionally, students of color tend to have lower-paying jobs after graduation, which makes it more difficult for them to pay off their debts (Price 2004).

### **Our Research**

Our research notes the impact that student demographic variables like gender, class and race have on students' relationships towards college debt and postgraduate plans. In particular we focus on how a student's perception of their debt may be affected by issues of race, class, and gender. We hypothesize that students who are female, of lower family income and/or nonwhite will be more constrained by their college debt when making decisions about their postgraduate pursuits. Since female students are likely to earn less during their lifetimes than their male peers, their debt incurred in college will present more of a constraint on their future financial situations. Similarly, since students of color are likely to earn less than their white peers, their college debt will have more of an impact on their postgraduate decisions. And finally, students with lower family incomes will be more hesitant to incur more debt after graduating from college because their families cannot help them pay off their loans.

**Hypothesis 1:** *Students from a lower socio-economic status will report feeling more constrained by their educational debt*

We anticipate that students from a lower socio-economic status will be more concerned with their debt levels than their peers from high socio-economic statuses.

**Hypothesis 2:** *Students who feel more constrained by their educational debt will be more likely to consider their financial situation when choosing a job after graduation.*

We expect that students who feel more constrained by their educational debt will accept jobs outside of their field of interest during their first years out of college in order to pay off their college debt and ease their financial stresses.

## METHODS

Our main method of research is a survey that evaluates different variables related to college students, postgraduate plans, debt, and socio-economic status. This survey was part of a larger, course-based study of college students and money related topics. Researchers distributed the surveys via email to our sample during the 2013 fall semester. Responses were collected from an electronic survey distributed to students at a small, liberal arts college in the Upper Midwest in the fall of 2013.

### Variables

Our study sought to explore the relationship between the variables of student concerns about their educational debt and their postgraduate plans. The variables we measured were *feelings of constraint about educational debt, likeliness of taking financial situation into consideration when choosing a job, and socio-economic status.*

### *Sense of Constraint about Educational Debt*

To measure the variable of student concern of educational debt, we drew heavily from Baum's 2003 study about students' perceptions of educational debt. Specifically, Baum asks agree/disagree questions that probe students about the extent to which they feel burdened by their debt, how they would behave in regards to taking out educational loans if they had college to do over again, and the extent to which students feel that the long-term benefits of student debt are worth the short-term hardships (Baum 2003). We rephrased some of these questions and created a four item index that included these questions: "I often worry about how my student loan debt will affect my major life choices," "I often worry about my student loan debt when purchasing small items (less than \$20)," "I feel burdened by my educational loans," and "If I had to do it over again, I'd borrow the same amount of student loans again (whether that's large, small, or zero)." Students responded with one of six Likert-scale options which were as follows: "strongly agree, agree, slightly agree, slightly disagree, disagree, strongly disagree".

### *Willingness to Take Financial Situation into Consideration when Choosing a Job*

To measure the variable of considering financial situation when choosing a job we created a three item index that included these questions: "I would take a job outside my interest area if it paid significantly more than a job inside my interest area," "I would be willing to take a lower paying job if it was something I was passionate about," and "I feel confident that I'll be able to work in a field I desire after college". The items ranged from asking if students would be willing to take a job outside of their interest area in order to make more money to gauging how likely they would be to choose a job that they were not particularly interested in. Students responded with one of six Likert-scale options which were as follows: "strongly agree, agree, slightly agree, slightly disagree, disagree, strongly disagree

### *Socio-economic Status*

To measure the variable of socio-economic status, we used conventional social science measures, however we only used three out of the four measures. We used multiple choice questions to find the student's self-reported "class," then moved on to include multiple choice questions about combined household annual income and parents' education level.

### **Validity and Reliability**

Our study achieves both face and content validity. We achieved face validity, an assessment of whether or not the items seem to be measuring what they intend to, by using measures of debt and students' feelings of being burdened by debt that were used by studies in our literature review (Neuman 2012). Because these measures were used in peer-reviewed scholarly studies, we can conclude that we attained face validity in the field. We achieved content validity by ensuring that our measures address all of the aspects of our conceptual definition (Neuman 2012). Our conceptual definition feelings of constraint about educational debt includes both student perceptions of how their debt affects them in the present and how students believe educational debt will affect their major life choices. Therefore, in order to achieve content validity, our survey questions measured both of these concepts.

In our study, we followed all four of the guidelines for increasing reliability as presented by Neuman: conceptualizing constructs, using a more precise measurement level, using multiple indicators, and using pilot tests (2012). Each measure in our survey tests a single concept (i.e. student concern about debt, socio-economic status, etc.). For our Likert indicators, we included at least six response options to increase the level of measurement, therefore, increasing the reliability of the measure. For our main concepts, we include multiple indicators in order to ensure that a single systematic error does not skew our findings. Finally, we pretested our survey questions on other members of our class. We did this in order to gauge if their

responses were consistent across questions that would indicate that our measures have a higher degree of reliability.

### **Sample and Sampling**

The first step in our sampling process was to establish a target population. Under our circumstances, our professor predetermined this step. Initially, we targeted the general population of St. Olaf College students. After establishing the exclusion cases from that general population we created our sampling frame. We chose to exclude certain groups of students from the survey such as students from sections SOAN371a and SOAN371b and students who participated in our focus group because of their previous exposure to our research. Additionally, researchers agreed to omit students currently away on off campus programs like studying-abroad. Additionally, we omitted international students regardless of whether they were here for one or four years because our variable was based on parental socialization in the United States. Furthermore, we did not include part-time students or students who are primarily St. Olaf employees taking the classes as a part of employee benefits due to the complexity of their loans and tuition rates that may affect their potential student debt. Lastly, we decided to exclude students under the age of 18 and over the age of 25 because they did not fit in our target population.

After consolidating our target population we sent our list of exclusions to the IRB committee. Once there, the Director of Institutional Research used a computer program to construct a sample for us. Then the director created an email alias so we never viewed the selected list of names our survey was sent to. We sent the survey to 530 students and 229 completed it, which produced a 43% response rate. Of the individuals who participated in our survey 154 identified as female, 62 identified as male, and 1 chose not to disclose their gender. The sample included 57 first year students, 65 sophomores, 41 juniors, and 55 seniors.

## **Ethics**

Many of the ethical issues we encountered came from sensitive questions regarding money and loans. Because we strived to gain perspective on students' levels of concern about their educational debt, we asked them realistic situational questions that had the potential to produce anxiety or stress. The core ethical issue we faced was the risk of psychological abuse, stress, or loss of self-esteem because some of these questions had the capacity to make some respondents anxious or uncomfortable (Neuman 2012).

In order to accommodate this possibility our survey made sure to inform students that they might experience these potential feelings of discomfort or anxiety and then were given the choice to not participate or stop at any point if their feelings of anxiety were too great. To ensure consent we informed students that their choice to continue with the survey constituted their implied consent to partake in our research.

To safeguard privacy we made sure that all participants remained anonymous. The distributed surveys did not require participants to include their name or any information that could identify them personally. Then we assigned a number to each participant to maintain anonymity. Therefore, when we presented our research names of participants were unknown to us as well as the audience.

To satisfy the St. Olaf Institutional Review Board, our group made sure to meet all of the standards as well as the three main ethical principles. First, we were cognizant of the participants' beneficence. The participants' wellbeing was protected by asking for their consent to partake in our study and by warning them of the potential discomfort from the financial questions. Our aim in doing this research was not to bring upon any harm to our participants. Second, we respected our participants; they remained anonymous and were not penalized for choosing not to partake in the survey. Third, we practiced the concept of justice. The IRB helped protect subjects by weighing the risks and the benefits of our study by minimizing intrusiveness and maintaining privacy. We did not survey any vulnerable populations like

individuals with developmental disabilities, legal minors (under age 18), or St. Olaf faculty, nor did we coerce any participants into completing the survey (Neuman, 2012).

## Results

***Hypothesis One:*** *Students from a lower socio-economic status will report feeling more constrained by their educational debt.*

To measure our first hypothesis, we asked students a group of questions that would be used to measure their socio-economic status and a series of questions on a Likert-scale about their feelings of constraint caused by their educational debt. To measure their socio-economic status, we asked students to report their household income as well as their parent(s)/guardian(s)'s highest educational level(s). We were concerned that many students do not know their actual household income because this was a theme that came up in our focus group; we were forced to accept their best guess as our measure of household income because we had no access to other data sources on their families' finances. As Figure 1 below shows, household income is skewed to the left because many students reported higher household incomes.

We asked students to report the highest education level of up to four parent(s)/guardian(s). However, we were only able to compare one parent/guardian's education level in our analyses because 102 students only reported the educational level of their first parent/guardian (see Figure 2). The normal curve for the highest parent/guardian/s education level is also skewed to the left. We initially asked students to report their parent(s)/guardian(s)'s occupations, yet we decided not to use this information due to time constraints with coding.

We measured students' feelings of constraint caused by their educational debt by combining a series of four questions on a six item Likert-scale on students' attitudes toward debt into what we call our "feelings of constraint" index (see Figure 3). This index was relatively normally distributed.

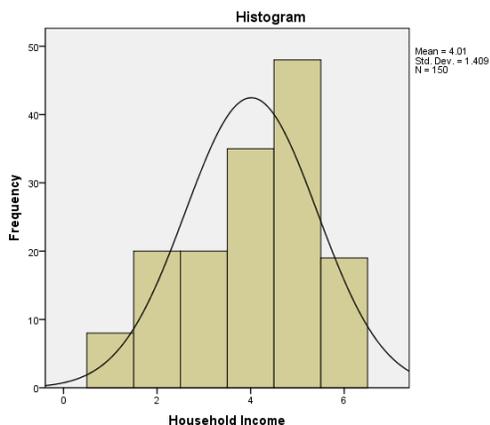


Figure 1

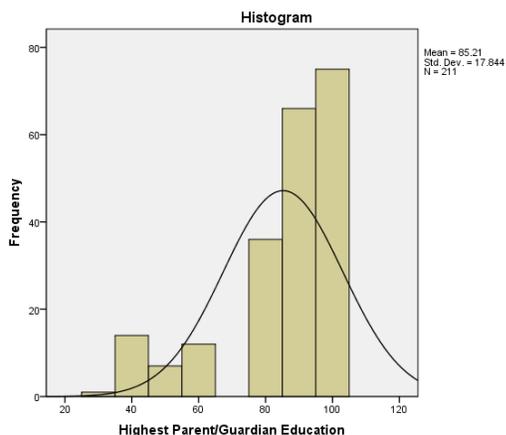


Figure 2

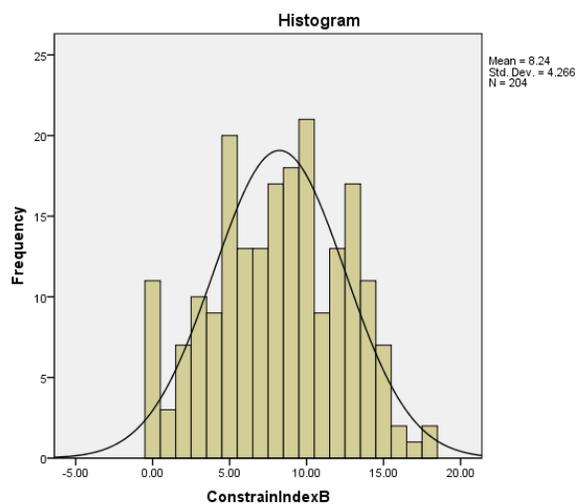


Figure 3

Before testing our first hypothesis, we had to decide how to measure students' socio-economic status. We initially wanted to create an index that included students' reported household income, parent(s)/guardian(s)' highest education levels and parent(s)/guardian(s)' occupation; we were unable to do this for multiple reasons. 102 of our respondents only reported their first parent/guardian's education level, preventing us from creating an aggregate measure of two parents/guardians' education levels for all students. Additionally, we were unable to code all of the reported parent/guardian occupations due to time constraints. Since we were unable to make a comprehensive index that measured socio-economic status, we ran

tests against household income and highest parent/guardian's education level as individual variables to stand-in for socio-economic status.

To test our first hypothesis we ran Spearman's rho between our feelings of constraint index and household income as well as between our feelings of constraint index and the highest parent/guardian education level. There was a statistically significant relationship at the 0.01 level between students' feelings of constraint and their household income. This relationship had a correlation coefficient of  $-.356$  indicating a moderate negative relationship ( $r = -.356, p < .000$ ). There was a statistically significant relationship at the 0.01 level between students' feelings of constraint and highest parent/guardian's education level. This relationship had a correlation coefficient of  $-.166$ , which indicates a slight negative relationship ( $r = -.166, p < .01$ ).

#### Correlations<sup>a</sup>

|                |                                |                         | Feelings of<br>Constraint<br>Index | Household Income<br>(weighted) |
|----------------|--------------------------------|-------------------------|------------------------------------|--------------------------------|
| Spearman's rho | Feelings of Constraint Index   | Correlation Coefficient | 1.000                              | -.356**                        |
|                |                                | Sig. (1-tailed)         | .                                  | .000                           |
|                | Household Income<br>(weighted) | Correlation Coefficient | -.356**                            | 1.000                          |
|                |                                | Sig. (1-tailed)         | .000                               | .                              |

\*\* . Correlation is significant at the 0.01 level (1-tailed).

a. Listwise N = 140

#### Correlations<sup>a</sup>

|                |                                      |                         | Highest<br>Parent/Guardia<br>n Education | Feelings of Constraint<br>Index |
|----------------|--------------------------------------|-------------------------|--|---------------------------------|
| Spearman's rho | Highest Parent/Guardian<br>Education | Correlation Coefficient | 1.000                                    | -.166**                         |
|                |                                      | Sig. (1-tailed)         | .  | .010                            |
|                | Feelings of Constraint Index         | Correlation Coefficient | -.166**                                  | 1.000                           |
|                |                                      | Sig. (1-tailed)         | .010                                     | .                               |

\*\* . Correlation is significant at the 0.01 level (1-tailed).

a. Listwise N = 197

**Hypothesis Two:** *Students who feel more constrained by their educational debt will be more likely to consider their financial situation when choosing a job after graduation.*

To measure our second hypothesis, we used the feelings of constraint index and an index to measure the likelihood that students consider their financial situation when choosing a job after graduation. Our “financial situation” index (See Figure 4) combined a series of Likert-style questions about students’ considerations when making postgraduate plans. This index is normally distributed.

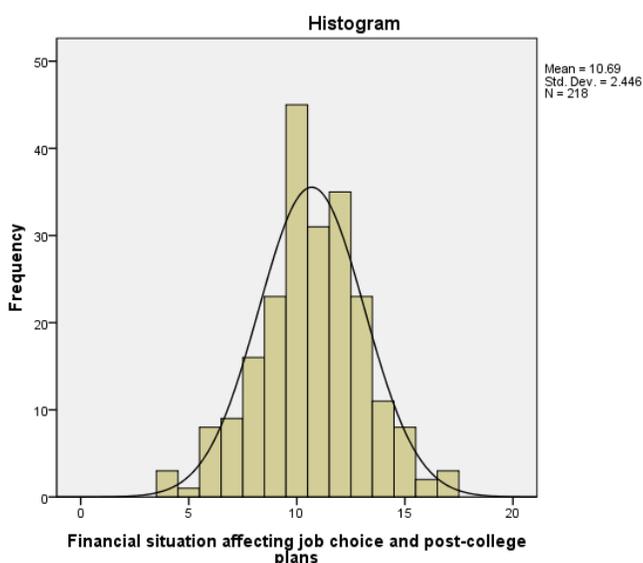


Figure 4

To test our second hypothesis, we conducted statistical testing between our feelings of constraint index and our financial situation index using Pearson’s. We found a statistically significant relationship at the .01 level with a correlation coefficient of .156 indicating a slight positive relationship.

**Correlations<sup>a</sup>**

|   |                     | Financial situation affecting job choice and post-college plans | Feelings of Constraint Index |
|---|---------------------|---|------------------------------|
| Financial situation affecting job choice and post-college plans | Pearson Correlation | 1   | .156 <sup>*</sup>            |
|   | Sig. (1-tailed)     |   | .013                         |
| Feelings of Constraint Index                                    | Pearson Correlation | .156  | 1                            |
|   | Sig. (1-tailed)     | .013  |                              |

\*. Correlation is significant at the 0.05 level (1-tailed).

a. Listwise N=202

**Discussion*****Hypothesis 1***

Our data showed that students who reported having a lower annual household income and a parent with a lower level of education tended to report feeling more concerned about their educational debt. These results support our hypothesis that students from lower socio-economic backgrounds will report feeling more concerned by their educational debt. Our results are consistent with our literature; students who identified as “lower-income” and who took out Nellie Loans reported feeling more burdened by their educational debt than their peers who took out loans but who identified as members of higher socio-economic classes (Baum 2002). Our data confirms Baum’s findings that educational debt constrains students from lower socio-economic backgrounds more severely than it does students from more affluent backgrounds.

Yet, while our statistical analysis revealed that there was a significant relationship between socio-economic status and feelings of constraint from educational debt, the way we measured socio-economic status may have affected these results. Originally, we hoped to

create a comprehensive index that evaluated both parents' highest levels of education, annual household income, and parental occupation. However, due to missing data and time constraints we were unable to create such a measure. Additionally, there was only a slight relationship between the first parent/guardian's highest level of education and feelings of concern. While the results were statistically significant, the weakness of this relationship tells us that it is not practically important.

The subject matter of our survey also presented a number of potential errors. Certain questions we created about socio-economic status may have led students to respond with an answer that was more "socially acceptable" rather than an answer that accurately reflected their status. The societal pressure to be considered "middle class" may have skewed the data and caused students to mark an income bracket that they felt indicated that they were "middle class". Beyond these potential biases that result from the survey's construction, we believe that our respondents may not have an accurate understanding of their families' socio-economic status. From our focus groups we found that parent's level of income is rarely discussed in the family, so many students do not know their family's household income. Additionally, most students did not actively participate in paying their tuition fees to St. Olaf thus they were uncertain about their actual level of debt. Because of these uncertainties surrounding annual household income and levels of debt, many students may not have responded accurately in regards to their annual household income and levels of debt.

Despite these limitations, our research yielded important results that colleges should consider when working with students from lower-income backgrounds. First, colleges and universities should consider offering students from lower socio-economic backgrounds less loan-based financial aid and more grant-based financial aid. Additionally, employers may want to offer students from lower socio-economic backgrounds additional aid in paying off their student loans in the first few years after graduation.

## ***Hypothesis 2***

Our data showed support for our second hypothesis – students who reported feeling more constrained by their educational debt were more likely to consider their financial situation when making postgraduate plans. These results are consistent with previous literature: Rothstein found that students who have higher degrees of student debt are less likely to consider jobs with lower starting salaries and are more likely to apply to and accept jobs with higher starting salaries (2011). However, despite the fact that we found a statistically significant relationship between feelings of constraint and likelihood of considering financial situation when making postgraduate plans, the correlation between these two variables was relatively weak. Thus, feelings of concern about educational debt may have only a small impact on whether a student takes her/his financial situation into consideration when choosing a job.

One potential alternative explanation for these results is the possibility of socio-economic status as a confounding variable. Because of time constraints, we were unable to test for this possible intervening variable, however it is possible that it is a student's socio-economic status, and not their feelings of concern about educational debt, that influences whether a student takes his/her financial situation into consideration when choosing a job.

Our results have important implications for universities and potential employers of recent college graduates. Because students who feel more constrained by their educational debt are more likely to consider their finances when considering a job, oftentimes these students accept jobs with higher starting salaries but less room for advancement and salary growth (Minicozzi 2005). Thus, colleges and universities might offer educational courses on how to navigate the job market. Additionally, employers who wish to hire recent college graduates might consider offering students higher starting salaries to attract workers. Students themselves might wish to seek education about how to responsibly pay back their student debt. Additionally, recent

college graduates may want to explore potential salary growth in addition to initial starting salary when selecting a postgraduate job.

### **Conclusion**

In our research, we explored the relationship between students' demographic variables, their feelings of constraint due to their educational debt, and the extent to which they consider their financial situation when choosing a job. Our survey examined the effects of students' socioeconomic status on feelings of constraint due to their educational debt, as well as feelings of constraint when considering postgraduate options.

Our first hypothesis was supported – we found a statistically significant relationship between a student's socioeconomic status and his/her reported feelings of constraint due to educational debt. There was a moderately negative relationship; students who reported a lower socioeconomic status scored higher on our feelings of constraint index.

Similarly, our second hypothesis was supported and demonstrated a statistically significant relationship between students' feelings of constraint about educational debt and how that affects their consideration of their financial situation when choosing a job after graduation. There was a slight positive relationship; students who felt more constrained by their postgraduate debt were more likely to consider their financial situation when choosing a job.

Even though our research yielded statistically significant results, our study has notable limitations. Our sample population does not allow us to generalize our results beyond students at the institution at which our survey was distributed. Additionally, we had a low response rate from a small sample size. The space allotted on our survey was limited, as we had to share questions amongst three groups; our ability to ask valuable supplementary questions was compromised. The nature of our research was limited because we had to complete the study in a short time period of a single college semester.

For future research, we suggest conducting a similar study exploring perceptions of student debt and post-graduate plans at a large, research university. Additionally, to better

understand the long-term impacts of educational debt on post-graduate options, a longitudinal study that examines students from their university experience to many years post graduation must be conducted. Finally, researchers must continue to investigate the complex and evolving relationship between educational debt and socio-economic status.

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