



TRELLIS RESEARCH | JANUARY 2019

Student Financial Wellness Survey

Texas Community Colleges
Fall 2018 Semester Report

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About the Student Financial Wellness Survey

The Student Financial Wellness Survey (SFWS) is a self-reported, online survey that seeks to document the financial well-being and student success indicators of postsecondary students across the nation. The SFWS was designed and implemented by Trellis Research, a department within Trellis Company.

About Trellis Company

Trellis Company (www.trelliscompany.org) is a nonprofit 501(c)(3) corporation with the dual mission of helping student borrowers successfully repay their education loans and promoting access and success in higher education. For nearly 40 years, Trellis Company has provided individualized services to student loan borrowers and support to institutions and communities.

About Trellis Research

Trellis Research provides colleges and policymakers insight into student success through the lens of college affordability. With more than three decades of experience on the forefront of issues such as student debt, student loan counseling, and financial barriers to attainment, our research team continues to explore the role of personal finance and financial aid in higher education.

We invite you to visit our library of publications at www.trelliscompany.org/research. Future report topics include collegiate food security, student aid trends in Texas, student loan borrower repayment plans, and parental education debt. Please follow us on Twitter (@TrellisResearch) for notifications of new research publications and discussions of a variety of higher education topics.

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Several academics, campus financial wellness practitioners, and higher education policy organizations contributed to review and revision of the SFWS during the design phase. We would like to thank Dr. Dominique Baker, Assistant Professor at Southern Methodist University; Dr. Angela Boatman, Assistant Professor of Public Policy and Higher Education at Vanderbilt University; Debbie Cochrane, Vice President of the Institute for College Access & Success (TICAS); Dr. Brent Evans, Assistant Professor of Public Policy and Higher Education at Vanderbilt University; Phil Schuman, Director of Financial Literacy at Indiana University; and Karen Serna, Director of the Student Money Management Office at Austin Community College for their thoughtful suggestions.

We would also like to thank the institutions of higher education that participated in the SFWS – we are extremely proud of the work you are doing to support students in their educational pursuits. Finally, to the students who took the time to participate in the survey – thank you so much. It is our hope that the information learned from your participation will be used to support students as they work towards achieving their goals.

Comments and requests for additional information regarding this report or any of Trellis' other publications are welcome. Please direct questions to:

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Executive Summary

Higher education leaders look for ways to improve retention and graduation rates in a climate of austere budgets. This takes wise rationing of resources spent on initiatives that produce positive outcomes for students. Increasingly, higher education sees the interplay of finances and academic performance as a key driver of success. The Student Financial Wellness Survey allows colleges to gain pivotal insights into this dynamic on their own campus that inform efforts such as financial education, emergency grants, and referring students to public assistance programs, food pantries and coordinated carpools.

This report details findings from the Fall 2018 implementation at Texas community colleges. A technical supplement is provided for this report that contains response frequencies to every question in the survey, select findings from cross-analysis of survey responses, descriptions of sample characteristics and representativeness, and detailed methodology. Comments and requests for additional information regarding this report are welcome.

Survey Metrics for Texas Community Colleges	
Survey Population	234,170 students
Responses	10,357 students
Response Rate	4.4%
Completion Rate	86%
Median Time Spent	15 minutes

Key Findings: Student Financial Security

- Many students worry about paying for college. Nearly two-thirds of respondents (64 percent) at Texas community colleges agreed or strongly agreed that they worry about having enough money to pay for school. **Q52**
- Many students lacked a plan for paying for their next semester. Nearly a quarter of respondents (24 percent) disagreed or strongly disagreed that they knew how they would pay for college next semester. **Q53**
- Students' finances appear precarious, susceptible to unexpected expenses that might derail their academic standing. More than two-thirds of respondents (67 percent) indicated they would have trouble getting \$500 in cash or credit in case of an emergency. **Q45**
- Students worry about on-going expenses. More than half of respondents (53 percent) worry to some degree about paying for their current monthly expenses. **Q51**
- More than three-quarters of respondents (81 percent) reported running out of money at least once in the past 12 months. More ominously, 38 percent reported running out of money five or more times. **Q46**

Key Findings: Student Basic Needs Security

- Food insecurity is quite common among students. Using U.S. Department of Agriculture (USDA) methodology, more than half of respondents at Texas community colleges showed signs of food insecurity – 25 percent with low food security and 30 percent with very low food security – within 30 days prior to being surveyed. **Q77-82**
- More than half of respondents (54 percent) showed signs of being housing insecure within the 12 months prior to the survey. **Q83-88**
- Eleven percent of respondents indicated being homeless within the 12 months prior to the survey, and 18 percent were homeless and/or without a home but temporarily staying with a relative, friend, or “couch surfing”. **Q89-98**

Key Findings: Supporting Family

- More than half of respondents (57 percent) at Texas community colleges reported that it is important that they support their family financially while in college. **Q54**
- More than a third of respondents (35 percent) reported that they provide financial support for a child or children while in school. Eighteen percent provide financial support for their parent(s) or guardian(s) while in school. **Q42, Q43**

Key Findings: Student Perceptions of Institutional Support

- Students at Texas community colleges express their financial difficulties to advisors and faculty members with some regularity. Respondents most commonly report speaking to a financial aid advisor about financial struggles (55 percent), followed by academic advisors (38 percent), and faculty members (22 percent). **Q13-Q18**
- More than two-thirds of respondents (67 percent) at Texas community colleges believe their institution works to make tuition more affordable for them. Varying percentages of respondents believe their institution works to make required class supplies (49 percent), food (36 percent), and textbooks (37 percent) more affordable. **Q7, Q12, Q9, Q11**
- Students often feel that textbooks are too expensive, especially if used infrequently in their course. More than a third of respondents (43 percent) disagreed or strongly disagreed that their school works to make textbooks more affordable. **Q11**
- Faculty level of empathy towards students’ financial challenges ranges across a spectrum. More than a third of respondents (40 percent) agreed or strongly agreed that their school’s faculty understand their financial situation, while 27 percent disagreed or strongly disagreed. **Q4**
- More than a third of respondents (42 percent) agreed or strongly agreed their school actively works to reduce the financial challenges they face, while 24 percent disagreed or strongly disagreed. **Q5**

Key Findings: Paying for College and Student Debt

- More than half of respondents (58 percent) at Texas community colleges who reported having student loan debt agreed or strongly agreed that they had more student loan debt than they expected at this point. **Q69**
- Nearly two-thirds of respondents who reported having student loan debt were not at all confident (28 percent) or only somewhat confident (36 percent) that they would be able to pay off the debt acquired while they were a student. **Q70**
- Ten percent of respondents indicated borrowing a pay day loan at least once within the 12 months prior to the survey. Six percent borrowed an auto title loan at least once within the 12 months prior to the survey. **Q61, Q62**
- Pay day lending can often trap borrowers in a debt cycle where they continuously borrow a new loan to pay their previous balance. A third of respondents that borrowed a pay day loan within the prior 12 months did so at least three times within that same time period. **Q66**
- Nearly three-quarters of respondents (73 percent) who reported borrowing on a credit card in the prior 12 months agreed or strongly agreed that they always pay their credit card bill on time. However, only 23 percent of respondents that borrowed on a credit card agreed or strongly agreed that they fully pay off their credit card balance each month. **Q64, Q65**

Survey Overview

Trellis Company’s Student Financial Wellness Survey (SFWS) is a self-reported, online survey that seeks to document the financial well-being and student success indicators of post-secondary students across the nation. The survey was open beginning September 24, 2018 and closed on October 15, 2018. Fifty-eight institutions from across the country participated in the survey – 37 two-year institutions, 10 public four-years, and 11 private four-years. This report details aggregate findings from the cohort of respondents attending Texas community colleges.

Texas Community College Cohort		
Characteristic	Population (N=234,170)	Respondents (n=10,357)
Race/Ethnicity		
American Indian/Alaskan Native	0%	0%
Asian, Hawaiian, or Other Pacific Islander	6%	4%
Black/African-American	16%	16%
Hispanic/Latino	44%	40%
International	3%	2%
White	24%	31%
Multiple	3%	4%
Other	0%	0%
Race/Ethnicity Not Reported	3%	3%
Gender		
Female	59%	76%
Male	40%	24%
Enrollment Intensity		
Full-time	39%	50%
Part-time	61%	50%
Class Year		
Not Reported	2%	3%
1st (<30 credits earned)	52%	54%
2nd (30-59 credits earned)	26%	26%
3rd (60-89 credits earned)	13%	11%
4th (90-120 credits earned)	4%	4%
5th (120+ credits earned)	2%	2%
Age		
Average Age	25.55	27.21

This report is divided into four major sections focused on areas considered more central to student success, and not all questions asked in the SFWS are presented in this report. Results from all survey questions and select cross-tab analysis can be found in the technical supplement

provided with this report. Comparison groups are derived from aggregate data collected from all 58 schools participating in the survey and are presented by sector. Values presented in this report are rounded, therefore the sum of response frequencies may not equal 100 percent.

Voluntary surveys are unlikely to achieve 100 percent response rates. Lower response rates make surveys more susceptible to response bias, i.e. the risk that those taking the survey don't reflect the views of the total population. Fortunately, the Student Financial Wellness Survey obtains data on both the total population and responders. This allows for comparisons to determine if, based on these characteristics, responders mirror the total population. When they don't, Trellis urges readers to consider the implications of the sample characteristics and the affect that might have on responses to the survey.

Response bias in the sample may marginally affect the magnitude of the response frequencies presented for questions in the survey but are unlikely to affect the overall findings and themes found from the study. A detailed description of survey characteristics, comparison groups, tests for representativeness, and other research notes can be found in the technical supplement to this report.

The Fall 2018 sample of responders in the Texas community college cohort had some characteristics different from the population. Tests for representation indicated statistically significant differences between the sample and the population for:

- Race/Ethnicity – Respondents who are White were overrepresented in the sample and respondents who are Hispanic/Latino were underrepresented (see table on pg. 5)
- Gender – Female respondents were overrepresented in the sample
- Enrollment intensity (full-time/part-time) – Respondents enrolled full-time were overrepresented
- Credit Hours Earned – Respondents in their first year were overrepresented (see table on pg. 5)
- Age – Respondents were older than the population

Student Financial Security

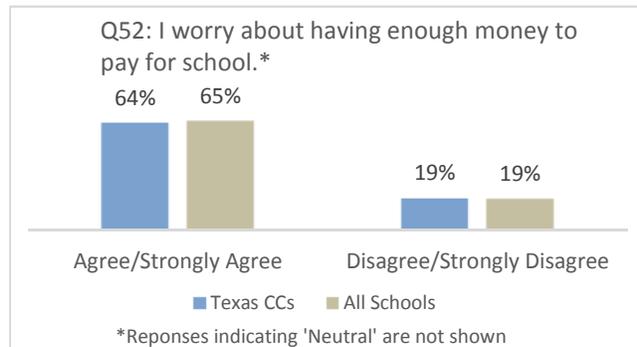
Financial security refers to the abilities or perceptions of students to meet current, ongoing, and unexpected expenses. Financial security reduces stress to create a mental state conducive to study. A growing body of research is showing that students who left college before earning a degree did so for financial reasons or because it was too stressful to work and go to school at the same time.¹ In the 2017 National College Health Assessment, 36 percent of students reported that their finances in the previous year were “traumatic or difficult to handle.”² Besides the mental and emotional toll of financial insecurity, students surviving on narrow margins are far more vulnerable to academic disruptions caused by unexpected expenses.

Research to Practice

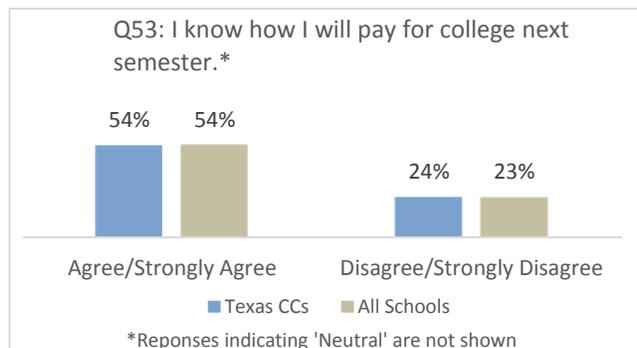
- Campuses can use this data to begin conversations about the design and delivery of various institutional financial aid programs (where applicable).
- Campuses can provide students with support to financially plan for their degree. Financial plans for degree completion provide the opportunity to reduce stress, anticipate contingencies, and identify gaps in funding early in the process.
- Campuses can assist students with managing their cash flow challenges (particularly with financial aid recipients) and provide financial education where applicable to encourage budgeting and successful financial behaviors.
- Campuses can work to redefine how they view financial wellness (including through institutional metrics like Cost of Attendance) for students who have responsibilities to support family members.

Findings

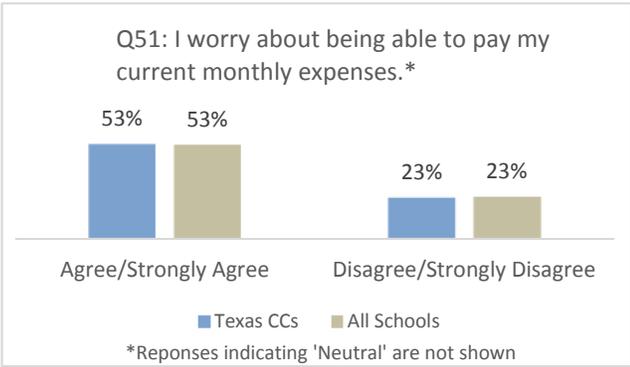
- Students surveyed signaled concern with being able to afford college. Nearly two-thirds of respondents either agreed (31 percent) or strongly agreed (32 percent) that they worry about having enough money to pay for school. **Q52**



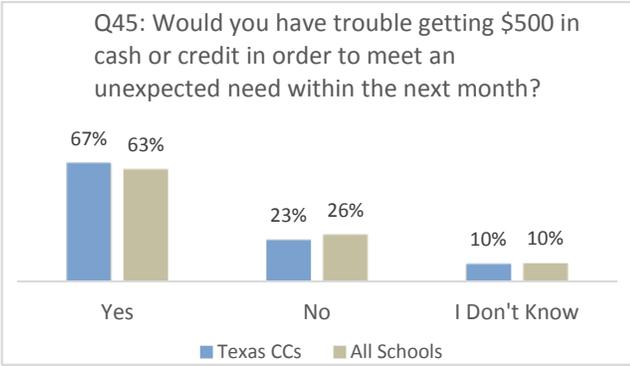
- Nearly a quarter of respondents disagreed (15 percent) or strongly disagreed (9 percent) that they knew how they would pay for college next semester. **Q53**



- Respondents who worry about having enough money to pay for school (Q52) and/or do not know how they will pay for college next semester (Q53) were more likely to be first-generation students (Q117), more likely to be enrolled part-time, and more likely to be female. See Section C in the technical supplement for detailed tables on these findings. **Q52, Q53**



- Some of the anxiety around paying for school may be driven by students' concern for their day-to-day expenses. More than half of respondents agreed (32 percent) or strongly agreed (21 percent) that they worry about paying for their current monthly expenses. **Q51**

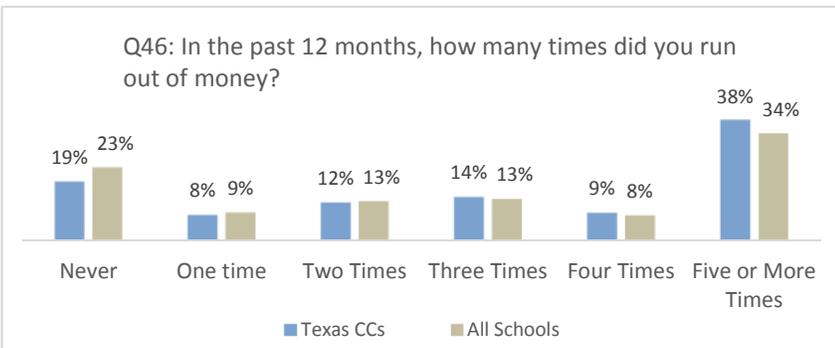


- Respondents at Texas community colleges that worry about paying their current monthly expenses were more likely to be first-generation students (Q117) and more likely to be enrolled part-time. They also responded at higher rates that they worry about having enough money to pay for school (Q52) and at lower rates that they know how they will pay for college next semester (Q53). See Section C in the technical supplement for detailed tables on these findings. **Q51**

- For students who are financially vulnerable, a relatively small expense can force difficult decisions around staying enrolled in college. More than two-thirds of respondents (67 percent) indicated they would have trouble getting \$500 in cash or credit in an emergency. Given students' financial vulnerability and lower confidence in paying for

college, student success initiatives would benefit from financial components such as emergency aid programs that provide small dollar grants to students in financial emergencies. These types of interventions have improved student retention.³ **Q45**

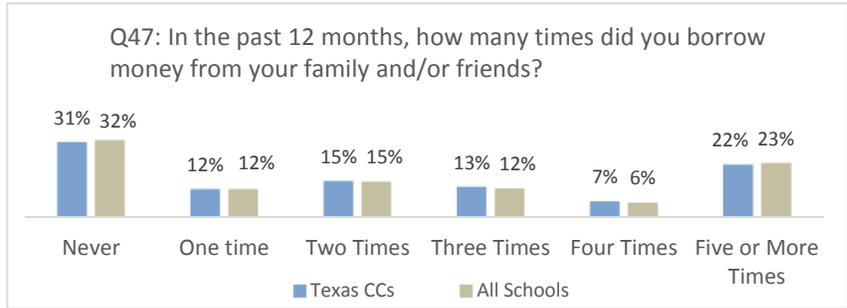
- Students who reported they would have trouble getting \$500 cash or credit in an emergency were more likely to be first-generation students (Q117). They also responded at higher rates that they worry about having enough money to pay for school (Q52) and at lower rates that they know how they will pay for college next semester (Q53). See Section C in the technical supplement for detailed tables on these findings. **Q45**



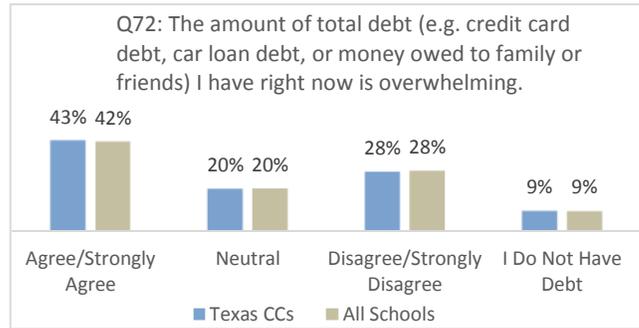
- It takes careful planning for students to meet their expenses and manage a limited, often uncertain cash flow while attending school. More than three-quarters of respondents (81 percent) reported running out of money at least once in the past 12 months. Alarming, 61 percent reported running out of money three or more times. **Q46**

- More than a third of respondents (38 percent) reported running out of money five or more times over the past year. Those who ran out of money five or more times were more likely to be first-generation students (Q117), and more likely to have trouble getting \$500 in case of an emergency (Q45). These students also responded at higher rates that they worry about having enough money to pay for school (Q52) and at lower rates that they know how they will pay for college next semester (Q53). See Section C in the technical supplement for detailed tables on these findings. **Q46**

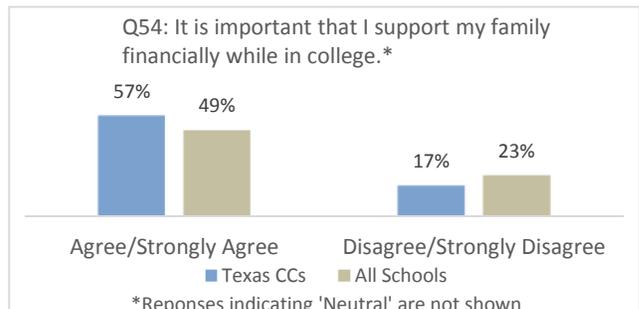
- For students with access to financial support from friends and family, social borrowing is fairly common. More than a third of respondents (42 percent) at Texas community colleges reported borrowing money from family and/or friends three or more times in the past year. **Q47**



- More than a third of respondents agreed (21 percent) or strongly agreed (43 percent) that their total debt (e.g. credit cards, car loans, student loans, and/or money owed to family or friends) is overwhelming. **Q72**

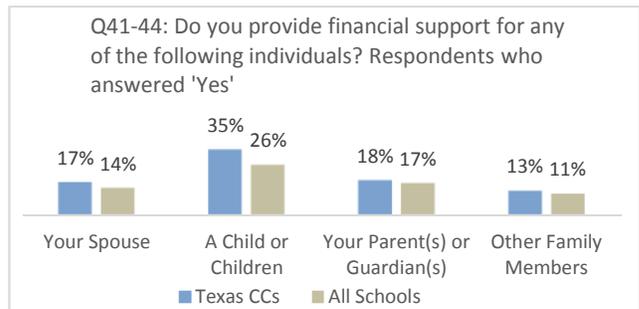


- Many students at Texas community colleges have family responsibilities that can create or exacerbate financial challenges while in school. More than half of respondents agreed (27 percent) or strongly agreed (30 percent) that it is important that they support their family financially while in college. **Q54**



- Students who reported that it is important that they support their family financially while in college were more likely to be first-generation students, more likely to be enrolled part-time, more likely to be male, and more likely over 25 years of age. **Q54**

- Students at Texas community colleges who reported that it is important that they support their family financially while in college were more likely to have trouble getting \$500 in cash or credit in case of an emergency (Q45). These students were also more likely to worry about having enough money to pay for school (Q52). See Section C in the technical supplement for detailed tables on these findings. **Q54**



- Many respondents reported providing financial support for children (35 percent) and spouses (17 percent) while in school. Eighteen percent support parents or guardians financially, and 13 percent support other family members. **Q41-44**

- Students at Texas community colleges who support a child or children – and/or parents or guardians – financially while in school were more likely to have trouble getting \$500 in cash or credit in case of an emergency (Q45), more likely to worry about having enough money to pay for school (Q52), and more likely to be enrolled part-time. Respondents who support their parents or guardians financially were also more likely to be first-generation students (Q117). See Section C in the technical supplement for detailed tables on these findings. **Q42, Q43**

Perceptions of Institutional Support

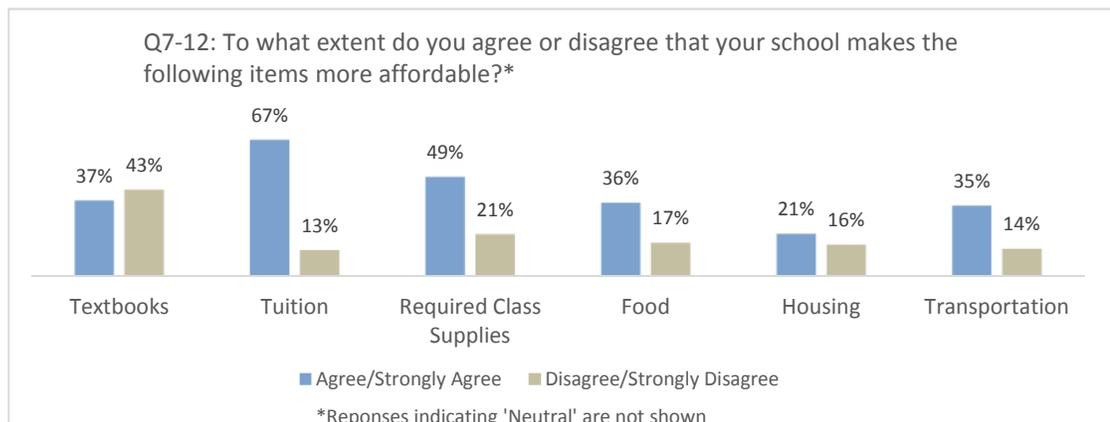
Students who develop a sense of belonging at their institution have been shown to stay in school and to graduate at higher rates.⁴ This sense of belonging is often shaped by campus climate and by interactions with staff, faculty, and students. While belonging can be strengthened by research with faculty, undertaking campus leadership, and participating in learning communities, a school can reinforce this bond by being perceived as understanding of their students' financial situation.⁵

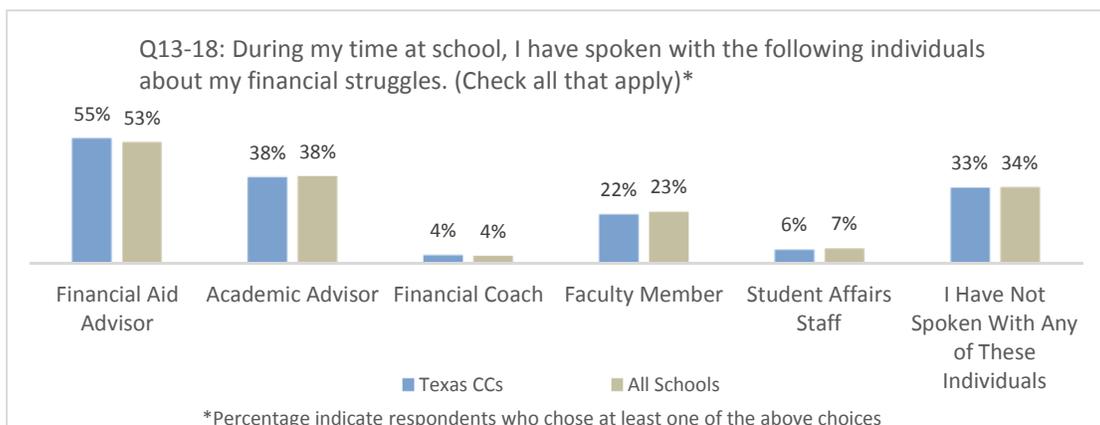
Research to Practice

- Institutions can begin to evaluate how they message affordability to students. While tuition freezes and even small decreases are great strides, they may come off as insensitive to students who are facing daily cash flow challenges.
- Institutions can work to provide intentional programs and discussions on campus related to reducing some supplemental costs of education.
- Institutions can intentionally train staff and faculty about the financial realities of their student body. While these efforts should not be intended to make these individuals into financial advisors or professionals, the ability to recognize, empathize with, and direct to appropriate resources are important skills for front line staff and faculty to have in supporting student finances.

Findings

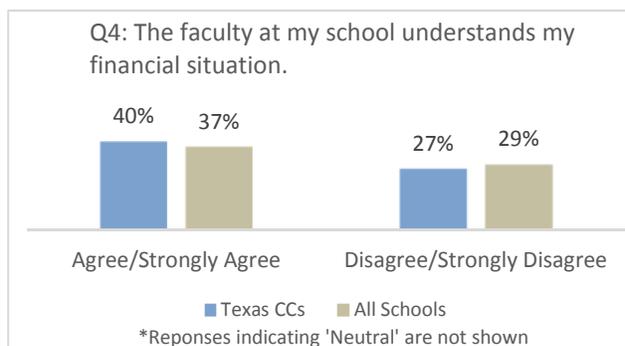
- To varying degrees, many respondents reported that their school makes required class supplies (49 percent), transportation (35 percent), and food (36 percent) more affordable. More than two-thirds of respondents (67 percent) reported that Texas community colleges works to make tuition more affordable. See Section B in the technical supplement to view the school sector comparison group response frequencies for these findings. **Q7-12**
- One common concern of students is that many classes require textbooks that are too expensive and rarely used. While 37 percent of respondents agreed or strongly agreed that their school makes textbooks more affordable, more than a third (43 percent) disagreed or strongly disagreed. **Q7-12**



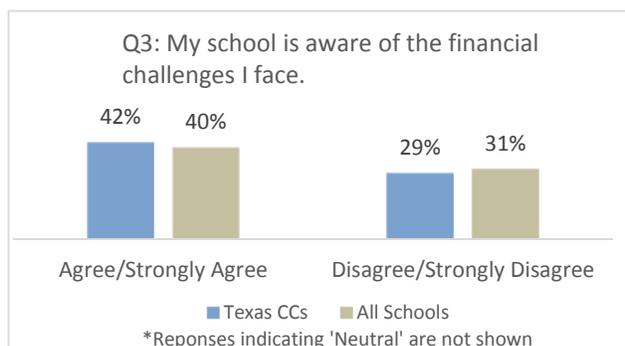


- Respondents at Texas community colleges most commonly reported speaking to a financial aid advisor (55 percent), followed by academic advisors (38 percent) and faculty members (22 percent). Surprisingly – considering how much contact student affairs staff have with students – only six percent of respondents report having spoken with them about their financial struggles. **Q13-18**

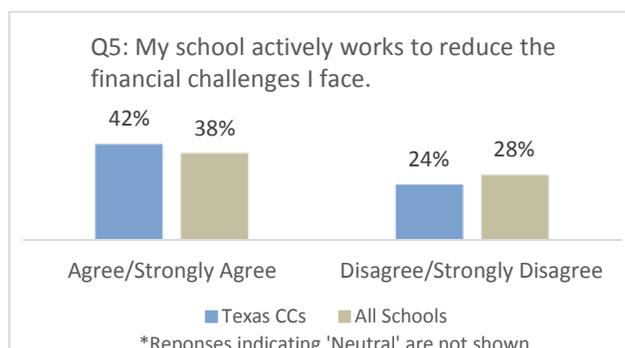
- Students often interact with faculty more than any other employees of their institution. More than a third of respondents agreed (26 percent) or strongly agreed (14 percent) that their school’s faculty understand their financial situation, but more than a quarter disagreed (18 percent) or strongly disagreed (9 percent). Instructors who are empathetic with students’ financial struggles – and are aware of resources on campus to direct students to – can contribute to students’ sense of campus belonging and work with students to prevent their circumstances from causing academic issues. **Q4**

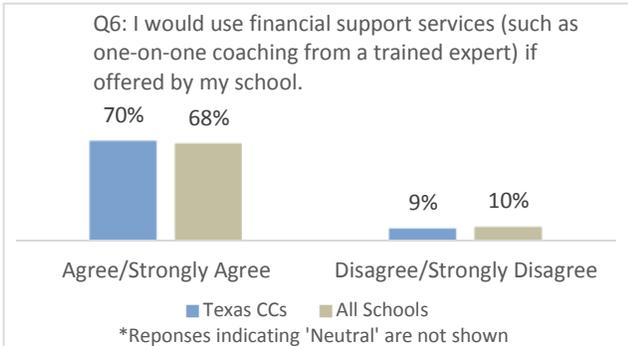
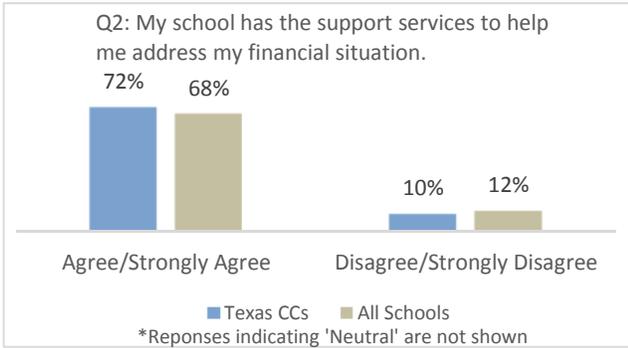


- More than a third of respondents agreed (27 percent) or strongly agreed (15 percent) that their school is aware of the financial challenges they face. **Q3**



- More than a third of respondents agreed (27 percent) or strongly agreed (15 percent) that their school actively works to reduce their financial challenges, but nearly a quarter of respondents disagreed (16 percent) or strongly disagreed (8 percent). **Q5**



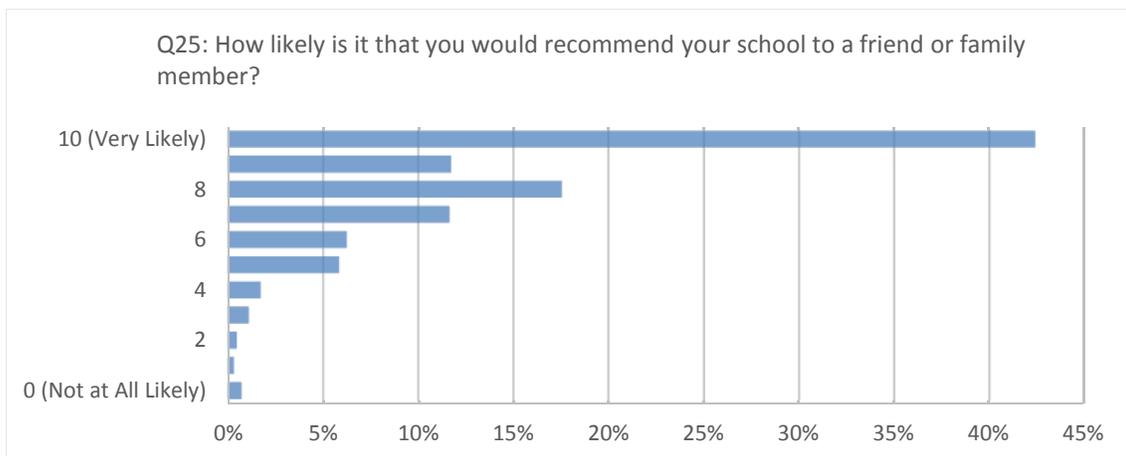


- Trellis' Student Financial Wellness Survey includes a customer satisfaction rating for institutions to benchmark future work and to better understand how students perceive their institution. Trellis collected the information with a scale that allows a Net Promoter Score (NPS) to be calculated. NPS is a method, based in research, to benchmark customer satisfaction ratings across different services, businesses, and products.⁶ NPS uses a 0-10 scale. Those respondents who score 9-10 are promoters, 7-8 are passives, and 0-6 are detractors. %Promoters - %Detractors = NPS. A positive NPS (>0) is generally considered good, with highest performers usually between 50 and 80. **Q25**

- Most respondents believe their school has the support services they need. Nearly three-quarters of respondents agreed (40 percent) or strongly agreed (31 percent) their school has the support services to help them address their financial situations. **Q2**

- Students seem to be willing to utilize these support services, with more than two-thirds of respondents (70 percent) indicating that they would use financial support services if provided. However, many schools report a struggle getting students to attend financial education classes, financial coaching, or other financial interventions. The gap between students' apparent willingness to utilize services and actual participation has led some schools to use creative marketing to attract students. **Q6**

Net Promoter Score		
Q25: How likely is it that you would recommend your school to a friend or family member?		
	Texas CCs	All Schools
Promoters (Score 9-10)	54%	49%
Passives (Score 7-8)	29%	31%
Detractors (Score 0-6)	17%	20%
Net Promoter Score (NPS)	37.61	28.54
	n=10010	n=16985



Basic Needs Security

Students who struggle meeting basic needs like food, housing, and utilities are vulnerable to enrollment disruptions regardless of their academic ability or potential. Unfortunately, research is documenting an alarming number of students experiencing threats to their basic needs.^{7, 8,}

⁹ Schools that address their students' challenges with the indirect costs of college have seen excellent student performance outcomes.

Research to Practice

- Rigorous experiments using careful random control trials point to the efficacy of providing students with a combination of support services (e.g. career development, financial education, high-touch advisement, public assistance referrals) and financial resources (e.g. tuition waivers, transportation vouchers, textbook discounts). Notable programs have grown at CUNY (Accelerated Study in Associate Programs), Cuyahoga County Community College (Degree in Three), Lorain County Community College (Students Accelerating in Learning), Cincinnati State Technical and Community College (C State Accelerate), and Alamo Community College District (Project Quest).^{10, 11}
- Campuses can provide emergency support services for students such as food pantries, temporary housing, or emergency funding. These resources should be addressed through a campus and community approach to holistically engage all students.
- Campuses can build crisis support teams to case manage students experiencing difficulty securing basic needs.

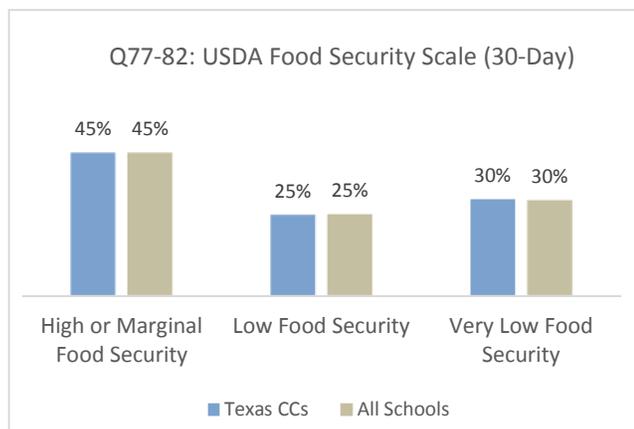
Understanding the United States Department of Agriculture Food Security Scale

Trellis' Student Financial Wellness Survey (SFWS) uses a six-question scale designed by the United States Department of Agriculture (USDA) that measures food security within the prior 30 days.¹² While this scale is shorter than some used by other researchers, it was adopted by Trellis to reduce cognitive overload within a survey that measures a broader array of financial wellness dimensions. A full description of the scales used in the SFWS can be found in Section A of the technical supplement.

Things to know about food insecurity:

- USDA methodology assigns levels of food security to individuals based on how many affirmative responses they give to certain questions. Under the short-form survey, individuals who give 2-4 affirmative responses have "low food security" and individuals who give 5-6 affirmative responses have "very low food security".¹²
- While categorical labels are helpful, food insecurity exists on a spectrum, and even the underlying responses to the survey questions cannot definitively locate individuals on that spectrum. Rather, more affirmative responses indicate higher odds that an individual is experiencing greater difficulty maintaining an adequate diet.

Food Security Findings



- Low food security is defined as, “reports of reduced quality, variety, or desirability of diet, little or no indication of reduced food intake.” Very low food security is defined as, “reports of multiple indications of disrupted eating patterns and reduced food intake.”¹² See Section B in the technical supplement to view the response frequencies for every question used to calculate the USDA food security scale.

- More than half of respondents at Texas community colleges showed signs of either low food security (25 percent) or very low food security (30 percent). **Q77-82**

- Students with low or very low food security were more likely to be first-generation students (Q117), more likely to be female, and more likely to report that they would have trouble getting \$500 in cash or credit in case of an emergency (Q45). In addition, these respondents tended to worry more about having enough money to pay for school (Q52) and were less likely to know how they will pay for college next semester (Q53). For more detail on the above findings, see Section C in the technical supplement. **Q77-82**

Understanding the Housing Security and Homelessness Scales

The Student Financial Wellness Survey incorporates standard housing security and homelessness measurements commonly used by other researchers studying basic needs security in order to ensure data validity and facilitate comparisons with findings in prior research.¹³ A full description of the scales used in the SFWS can be found in Section A of the technical supplement.

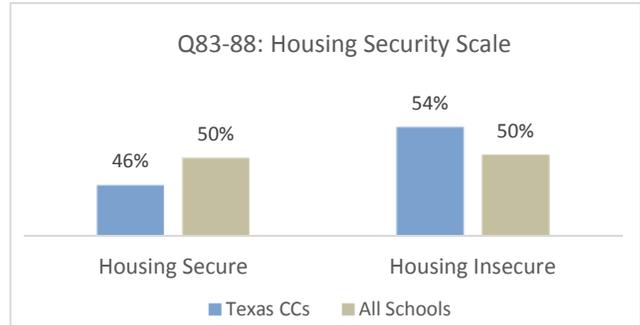
Things to know about housing security and homelessness:

- The Wisconsin HOPE lab and other leading researchers in this field define a homeless person as “a person without a place to live, often residing in a shelter, an automobile, an abandoned building or outside,” and housing insecurity as, “broader set[s] of challenges such as the inability to pay rent or utilities or the need to move frequently.”¹³
- Respondents are categorized as ‘Housing Insecure’ if they answered “True” to any of the six housing insecurity questions (Q83-88).
- Respondents are categorized as ‘Homeless’ if they answered ‘Yes’ and/or ‘True’ to Q89-95 and/or Q97-98 (excludes Q96).
- Respondents are categorized as ‘Homeless and/or Couch Surfing’ if they answered ‘Yes’ and/or ‘True’ to any of the ten homelessness questions (Q89-98).

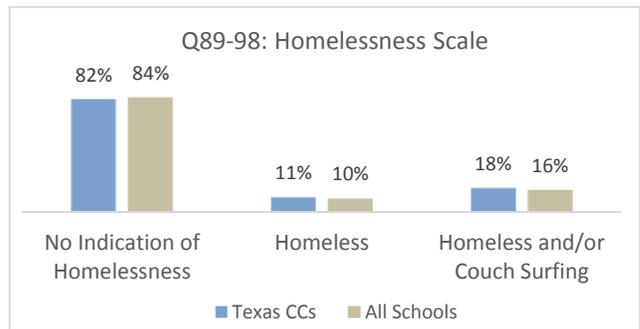
Housing Security and Homelessness Findings

- More than half of respondents (54 percent) at Texas community colleges showed signs of being housing insecure. See Section B in the technical supplement to view the response frequencies for every question used to calculate the housing security scale.

Q83-88



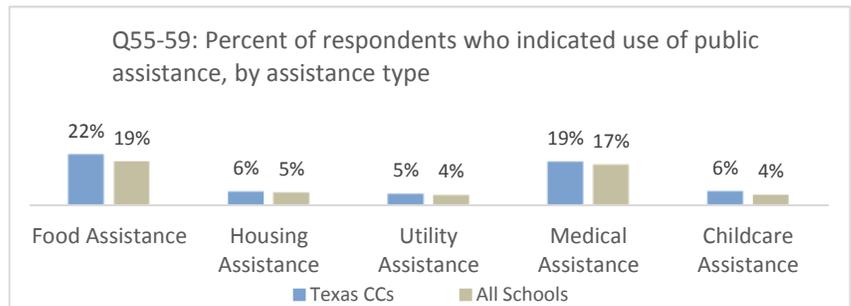
- Respondents who were housing insecure answered at higher rates that they would have trouble getting \$500 in cash or credit in case of an emergency (Q45). Respondents with housing insecurity also responded at higher rates that they worry about having enough money to pay for school (Q52) and at lower rates that they know how they will pay for college next semester (Q53). In addition, housing insecure respondents were more likely to be first-generation students (Q117), more likely to be enrolled part-time, more likely to be female, and more likely to be over 25 years of age. For more detail on the above findings, see Section C in the technical supplement.



- Although often overlooked, homelessness amongst college students is an issue growing in awareness. At Texas community colleges, 11 percent of respondents indicated homelessness within the 12 months prior to the survey.

- The SFWS homelessness scale breaks out a calculation for the most common form of homelessness, couch surfing. Students who are couch surfing are very vulnerable to transitioning to more serious forms of homelessness. At Texas community colleges, 18 percent of respondents were homeless and/or couch surfing. See Section B in the technical supplement to view the response frequencies for every question used to calculate the homelessness scale.

- Respondents who were homeless and/or couch surfing answered at higher rates that they would have trouble getting \$500 in cash or credit in case of an emergency (Q45). They also responded at higher rates that they worry about having enough money to pay for school (Q52) and at lower rates that they know how they will pay for college next semester (Q53). For more detail on the above findings, see Section C in the technical supplement.



- Connecting students with public assistance that they may be eligible for is a promising strategy for addressing the alarming levels of basic needs insecurity among college students. More than one in five respondents (22 percent) indicated using public food assistance and six percent used public housing assistance.

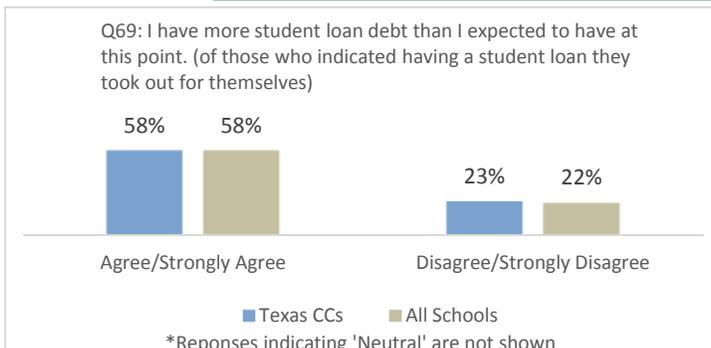
Paying for College and Student Debt

Students cobble together financial support from a variety of sources. Some aid (e.g. tuition waivers, grants, family support) directly reduces the out-of-pocket expense for students, while forms of credit postpone payments in exchange for paying fees and interest. Research indicates that half of all students borrow in their first year of college, and half of the remaining students borrow within six years of enrolling.¹⁴ Colleges that understand how their students are paying the bills, and how those sources change over time, can take steps to help their students secure and manage stable funding that enables them to graduate while avoiding financial pitfalls.

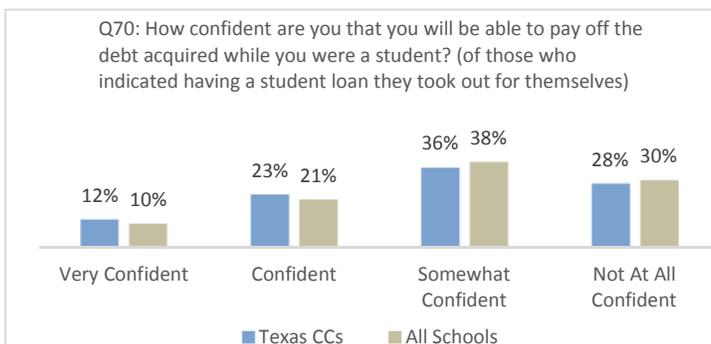
Research to Practice

- Using existing student data on the use of credit cards and repayment plans to pay tuition, schools can identify opportunities for targeted interventions and promising financial learning moments.
- Campuses can also evaluate the various student touch points that they have to provide additional support for student financial literacy and entrance counseling. These areas of student financial wellness can assist in student’s better understanding of their financial obligations, opportunities and risks.
- Campuses can take a look at the environmental factors that support healthy financial decision making. These include campus policies and procedures related to student payments, collections, and debt products on or near campus. Furthermore, campuses can explore additional ways to get students enrolled in safe, legitimate financial services products (such as bank accounts).

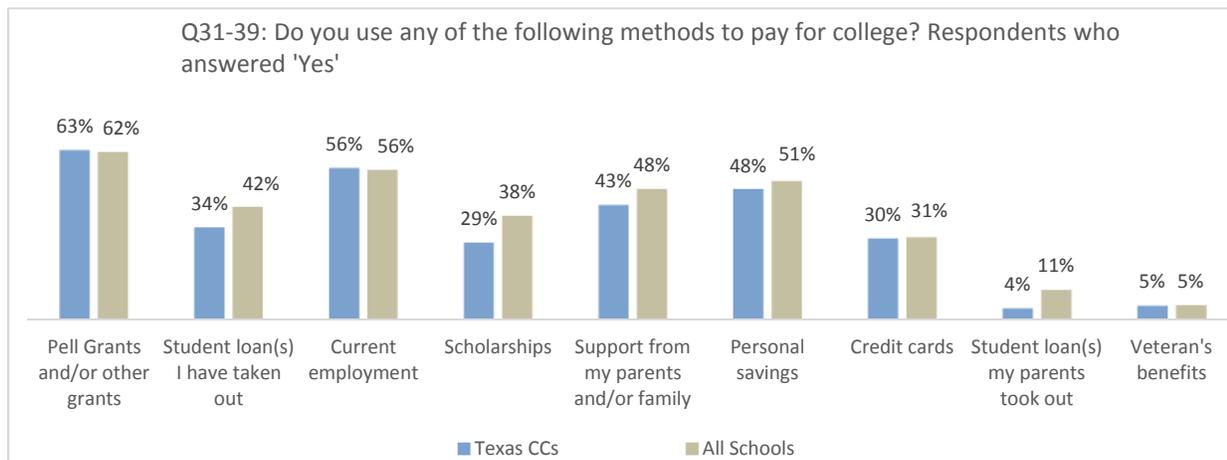
Findings



- Estimating college expenses can be difficult, especially for students who are the first in their families to attend college. More than half of the respondents who borrowed agreed (29 percent) or strongly agreed (29 percent) with the statement that they had more student loan debt than they expected at this point. **Q69**

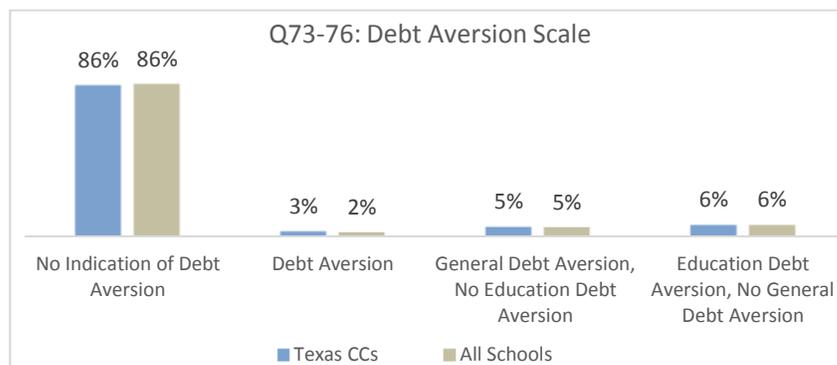


- Many students borrow but have little confidence in their ability to repay. Nearly two-thirds of respondents that borrowed were not at all confident (28 percent) or only somewhat confident (36 percent) they would be able to pay off the debt acquired while they were a student. **Q70**

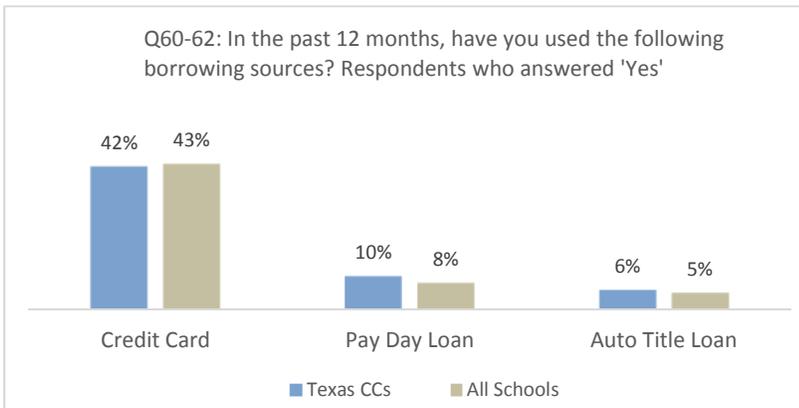
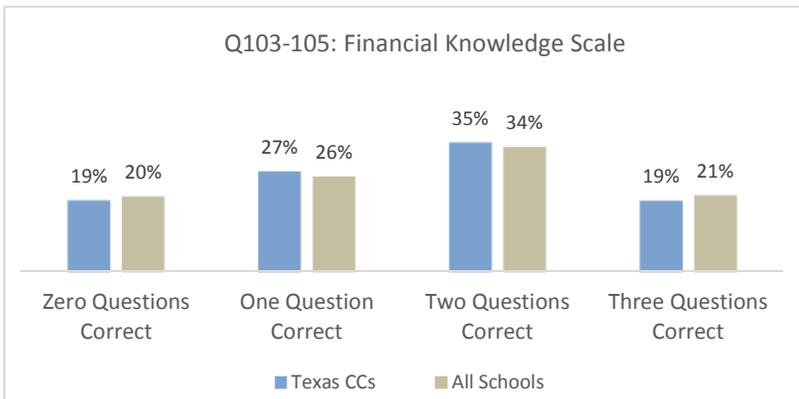
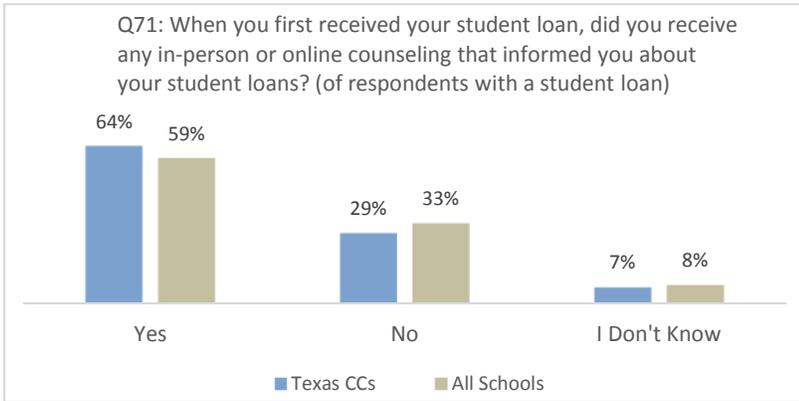


- Students at Texas community colleges use a variety of different sources to pay for college. More than half of respondents (56 percent) use their current employment to pay for college, 43 percent use support from their parents and/or family to pay for college, and 48 percent use personal savings. **Q31-39**
- Nearly a third of respondents (30 percent) reported using credit cards to pay for college, a method of payment that may come with more risk if students fail to pay their balance and then incur high interest rates. **Q31-39**
- More than a third of respondents (34 percent) indicated paying for college with student loans they took out for themselves, and four percent indicated that their parents took out student loans to help them pay for college. **Q31-39**

- Student debt aversion has been defined as “an unwillingness to take a loan to pay for college, even when that loan would likely offer a positive long-term return.”¹⁵ By grouping respondents into the below categories, the findings represent a conservative estimate of those respondents who clearly indicated signs of general and education debt aversion. A full description of the scales used in the SFWS can be found in Section A of the technical supplement. **Q73-76**



- No Indication of Debt Aversion = No indication of general or education debt aversion
- Debt Aversion = All responses indicate general and education debt aversion
- General Debt Aversion, No Education Debt Aversion = Responses indicate general debt aversion, but no education debt aversion
- Education Debt Aversion, No General Debt Aversion = Responses indicate education debt aversion, but no general debt aversion



- Informed borrowing is a cornerstone of federal student loans. Students who borrow federal loans are required to complete student loan entrance counseling prior to accessing the funds. Those with private loans are not required by federal statute to go through entrance counseling. In this survey, 29 percent of those who indicated having student loans reported not receiving any counseling that informed them about their student loans, and seven percent did not know if they had. This suggests a breakdown in loan counseling for those students. **Q71**

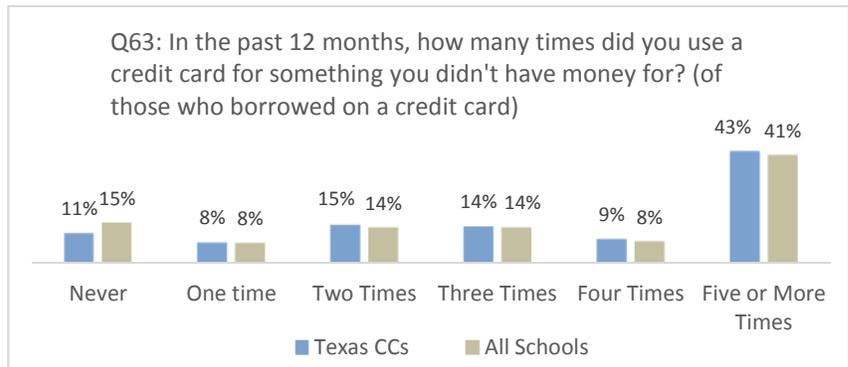
- Loan counseling conveys elements of financial education, especially key concepts like loan terms, interest rates, and repayment options. The financial knowledge scale used in this survey is a version of the Lusardi three-question scale, augmented to be more relevant to students in higher education. Only 19 percent of respondents answered correctly on all three financial knowledge questions. However, 81 percent answered at least one correctly. A full description of the scales used in the SFWS can be found in Section A of the technical supplement. **Q103-105**

- Respondents who answered all the questions correctly on the financial knowledge scale were less likely to be first-generation students (Q117), more likely to be enrolled part-time, and more likely to have earned over 30 credit hours (students not in their first year). For more detail on

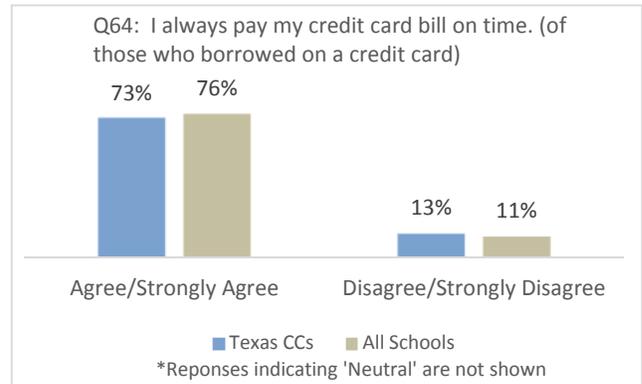
the above findings, see Section C in the technical supplement. **Q103-105**

- High-interest borrowing can be very risky. With a good credit rating, credit card interest rates can be manageable, but for students with poor credit scores, the interest rate may be higher, making full payments challenging. Pay day and auto title loans also tend to carry high interest rates and often use predatory marketing to target vulnerable populations. At Texas community colleges, ten percent reported taking out a pay day loan in the prior 12 months, and six percent borrowed from an auto title loan. **Q60-62**

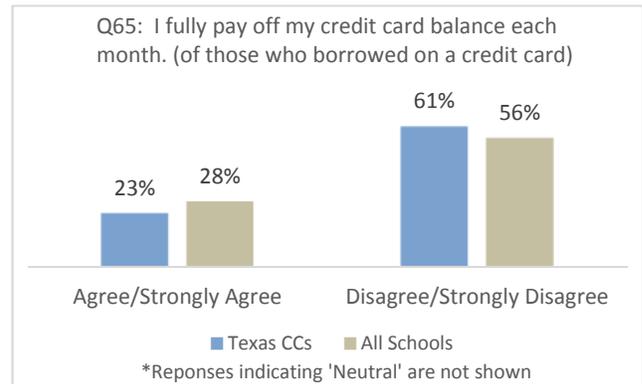
- Credit card debt is much more common than pay day loans and auto title loans. At Texas community colleges, 42 percent of respondents reported borrowing on a credit card (for any reason, not just to pay for college) in the past 12 months. **Q60-62**



- Of those respondents that borrowed from a credit card, 89 percent reported using their credit card one or more times in the prior year for something they did not have money for. More than a third of respondents (43 percent) reported using their credit card five or more times in the prior year for something they did not have money for. **Q63**



- Most respondents who borrowed on a credit card in the past year reported paying their bill on time. At Texas community colleges, nearly three-quarters of credit card users agreed (34 percent) or strongly agreed (40 percent) that they always pay their bill on time. **Q64**



- Although many credit card users pay their bill on time, many are not paying off their full balance and are accruing interest at a high rate. More than half of respondents who borrowed on a credit card in the prior year disagreed (31 percent) or strongly disagreed (30 percent) that they fully pay off their balance each month. **Q65**

Conclusion

College is designed to be challenging. It builds knowledge, develops skills, and reveals character. Students who confront financial threats, often while balancing work and study, must become adept at managing scarce time, moderating material wants, securing basic needs, and maintaining concentration to master their academic requirements. Colleges that deeply understand the financial challenges of their students can best structure programs, initiatives, and communication to bolster student success while optimizing administrative efficiency.

Trellis provides this analysis to facilitate this understanding and welcomes feedback so that we can make iterative improvements to this annual resource. Comments and requests for additional information regarding this report or any of Trellis' other publications can be directed to:

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Participation in the Student Financial Wellness Survey

Trellis is currently recruiting institutions to participate in the Fall 2019 SFWS. The survey is 100% free for institutions to participate in, and all participating institutions receive a school-level report of findings with comparison response groups from their sector. If you have colleagues at institutions that might benefit from participating in this survey, or would like more information on how to participate in upcoming implementations of the Student Financial Wellness Survey, please contact the project coordinator:

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<https://www.trelliscompany.org/research/trellis-company-student-financial-wellness-survey>

Endnotes

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- ⁷ A study of undergraduate students at a four-year institution found 39 percent of students experienced food insecurity – limited or uncertain access to adequate food (Freudenberg, et al, 2011; USDA, 2017). For community college students, the problem is larger. A study by the Wisconsin HOPE Lab found over half of community college students surveyed were food insecure. The researchers also found high levels (52%) of housing insecurity— those struggling to maintain a stable residence and pay rent and/or utilities – and homelessness (13%) (Goldrick-Rab, et al, 2017).
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