

## Graduate Student Perceptions of Educational Debt

Jennifer S. Weatherford  
Courtney H. McKim

*University of Wyoming*

---

**Abstract:** Graduate students ( $n = 52$ ) were asked about their perceptions of student loan debt in an online survey. Results indicated a significant correlation between worrying about debt and soliciting advice. These findings point to the importance of providing guidance for students considering loans.

**Keywords:** student debt, higher education, counseling

The student loan program in America was created in 1958 to open the doors to college for underprivileged students (Grant, 2011). Today, the program has grown to include all those who attend college, regardless of need (The Institute for College Access and Success, 2010). The down side to this unconstrained access has been the burden of repayment on those who do not graduate or who find disappointing employment opportunities (Harvard Law Review, 2012). These burdened debtors typically have been the very students for whom the student loan programs were created (Shapiro, 2012). Educators who understand the complex issues surrounding college debt can guide students who worry about paying for education with student loans.

### REVIEW OF THE LITERATURE

Indeed, one unintended consequence of student debt has been the burden of worry. For example, Perna (2008) found that at low-resource schools, students were generally reluctant to borrow, questioned whether the benefits of borrowing exceed the costs, and worried about the need to repay loans. Likewise, Gross, Torres, and Zerquera (2013) found that federal grants and loans for Latino students had no significant correlation with graduation. In contrast, Jackson and Reynolds (2013) found that the dual-sided nature of college loans made them an imperfect, but overall positive tool for reducing educational inequality. Therefore, as students are faced with decisions about accepting loans, the negative aspects of student debt should be considered along with the positive in the discussion of equal college access (Baum & Payea, 2013). In addition, those who advise students should acknowledge that access to college is only the beginning; underprivileged students also need help with completion of coursework and repayment of debt in order to achieve equality.

---

*Jennifer S. Weatherford, Department of Professional Studies, University of Wyoming; Courtney H. McKim, Department of Professional Studies, University of Wyoming.*

*Correspondence concerning this article should be addressed to Jennifer Weatherford, Department of Professional Studies, University of Wyoming, 1000 E. University, Dept. 3374, Laramie, WY 82071. Email: jweather@uwyo.edu*

Student debt has been a kind of bondage which has burdened individuals for a significant part of their work lives (Williams, 2012). A study done by Wright, Walters, and Zarifa (2013) showed that the ability to repay student loan debt was dependent on both level of schooling and field of study. Many unfortunate students have been burdened with student debt for years because they didn't finish school or chose a field with low employment rates. This pressure on students has been shown to correlate with wasted resources, lost time, and shattered dreams (Cooke, Barkham, Audin, Bradley, & Davy, 2004; Kolb, 2011). The experiences of former students, educators, and counselors has been helpful in considering both personal and institutional decisions concerning student debt.

Moreover, the student loan problem is one which has moved from personal issues to government solutions (Dunlop, 2013). For example, tuition rates have exceeded inflation for the last thirty years (College Board Advocacy and Pricing Center, 2013). Complicating matters, the US Department of Education made \$42.5 billion in profits from student loans in 2013 (VandenDolder, 2013). In contrast, St. John (2013) explained that many nations treat higher education as a private good, justifying the use of high tuition to expand access. Many experts have advocated for tuition-free community colleges in America. For example, Jaquette (2006, 2009) wrote a glowing report on the state of no-tuition higher education in the United Kingdom (UK). However, after the financial crisis of 2008, the stakeholders in the UK abandoned the no-tuition model (Holmwood, 2013). In China, the student loan program leaders have been trying to find the balance between requiring students to pay tuition fees and continuing to provide free education (Jinguo & Rong, 2009). The policy debate is fraught with complexities, and students need practical help to navigate a situation with "no easy fixes" (Lipka, 2013).

The goal of this study was to shed light on the personal ramifications of incurring undergraduate student debt in order to highlight the need for student guidance. Graduate students were chosen because they have the advantage of retrospective wisdom, and many have desired to offer counsel to students who are considering college loans (participant personal communication). Specifically, the research questions that guided this exploratory project were: (1) are there relationships between the amount of debt incurred, the level of worry, and the desire to seek advice, and (2) do associations between advice, gender, and ethnicity exist?

## METHOD

Graduate students at a Rocky Mountain university were asked to take an online survey in order to share their perceptions about student loan debt. The survey included four informational items, nine perception Likert items, and seven demographic items. The survey was created online, and the students in two graduate educational research courses were invited to participate. The Institutional Review Board at the university approved the research.

Fifty-two (out of 60) students completed the survey. Of these, 19 (37%) had received degrees from other universities and 33 (63%) had received degrees from the

state flagship university. Fourteen (27%) of the respondents were male and 38 (73%) were female. Fifty (98%) of the participants were Caucasian, with one Asian and one Hispanic participant. Forty-six (92%) of the respondents were pursuing graduate degrees in education, with two in speech and language pathology and four in counseling.

## RESULTS

First, to explore relationships between the amounts of debt incurred, the level of worry, and the desire to seek advice, descriptive statistics were computed (Table 1). Several (23 or 44%) of the participants had no student debt and only 18 (36%) of those surveyed planned to incur debt in the future. Of the 29 who had undergraduate loans, 12 (38%) indicated that they would not need additional loans and 18 (62%) planned to incur more debt before finishing their graduate degrees. Yet, of the 23 students who did not incur debt, only one planned to take on debt in the future. A chi-square analysis determined that this was a highly significant association,  $\chi^2(1) = 16.69, p < .001$ . Participants with current debt were much more likely to incur more debt than students without debt.

Table 1. Means and standard deviations for Likert items

Item	M	SD
I was worried about repaying the loans when I graduated.	3.24	1.34
I chose a major based on potential earnings after graduation.	2.63	1.13
Family members gave me advice about student loans.	3.00	1.33
College representatives gave me advice about student loans.	2.53	1.16
I believe that students should work part-time while in school.	3.69	0.86
It is important to me to pay off student loan interest while still attending school.	3.28	1.13
I think about my student loan debt weekly.	2.63	1.30
I am concerned about my ability to repay my student loans given the salary I hope to earn.	2.66	1.30
I have been late in repaying a student loan.	1.78	1.07

*Note.* The responses were measured on a Likert scale, in which 1 = *strongly disagree*, 2 = *disagree*, 3 = *neither disagree nor agree*, 4 = *agree*, 5 = *strongly agree*.

Correlational relationships between individual items on the survey are presented in Table 2. Several of the items were significantly correlated; for example, being worried about repaying the loans was correlated with both worry about future salary ( $r = .55, p < .001$ ) and weekly worry ( $r = .69, p < .001$ ). Also, thinking about the loans weekly was correlated with worrying that the salary the participant might earn might make the loan difficult to repay ( $r = .71, p < .001$ ) as well as with being late on a payment ( $r = .35, p = .016$ ). Finally, being late on a payment correlated with worrying about future salary ( $r = .37, p = .009$ ).

Table 2. *Individual correlations for Likert items*

Item	2	3	4	5	6	7	8	9
1. I was worried about repaying the loans when I graduated.	.17	.09	.14	.05	.09	.69*	.55*	.15
2. I chose a major based on potential earnings after graduation.		.08	.05	.00	.09	.16	-.16	-.20
3. Family members gave me advice about student loans.			.17	.09	.05	.11	-.06	-.10
4. College representatives gave me advice about student loans.				.25	.21	.00	.03	-.10
5. I believe that students should work part-time while in school.					.37*	.03	-.14	.03
6. It is important to me to pay off student loan interest while still attending school.						.14	.00	.05
7. I think about my student loan debt weekly.							.71*	.35*
8. I am concerned about my ability to repay my student loans given the salary I hope to earn.								.37*
9. I have been late in repaying a student loan.								

Note. \* indicates significant result,  $p < .05$ . The responses were measured on a Likert scale, in which 1 = *strongly disagree*, 2 = *disagree*, 3 = *neither disagree nor agree*, 4 = *agree*, 5 = *strongly agree*.

Two constructs were created from the correlated variables. The first construct was named *worry* and consisted of Item 1 (*I was worried about repaying the loans when I graduated*), Item 7 (*I think about my student loan weekly*), and Item 8 (*I am concerned about my ability to repay my student loans given the salary I hope to earn*). The second construct was named *advice* and included Item 3 (*Family members gave me advice about student loans*) and Item 4 (*College representatives gave me advice about student loans*). These two constructs were graphed with the participants' estimate of final debt amount in order to conceptualize the amount of debt incurred and the level of *worry* and *advice*. (See Figure 1 and Figure 2). As accumulated debt amount increased, worry did not increase significantly,  $F(3, 15) = 2.94, p = .076$ . Also, the amount of advice received was not significant across debt amount,  $F(3, 17) = 1.71, p = .211$ . The small sample may have affected the significance of these results.

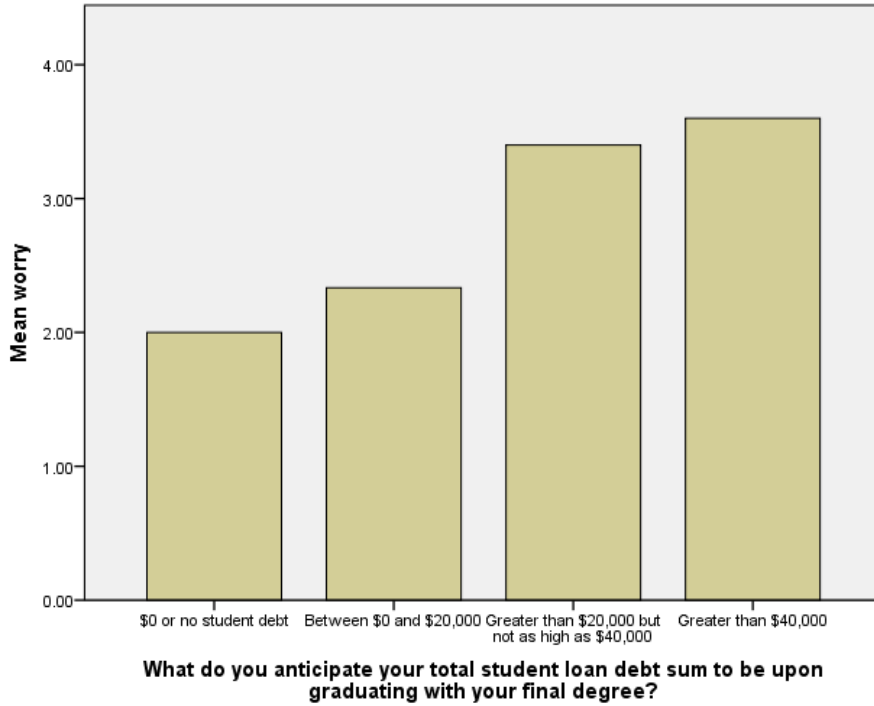


Figure 1. Mean *worry* for each amount of accumulated debt.

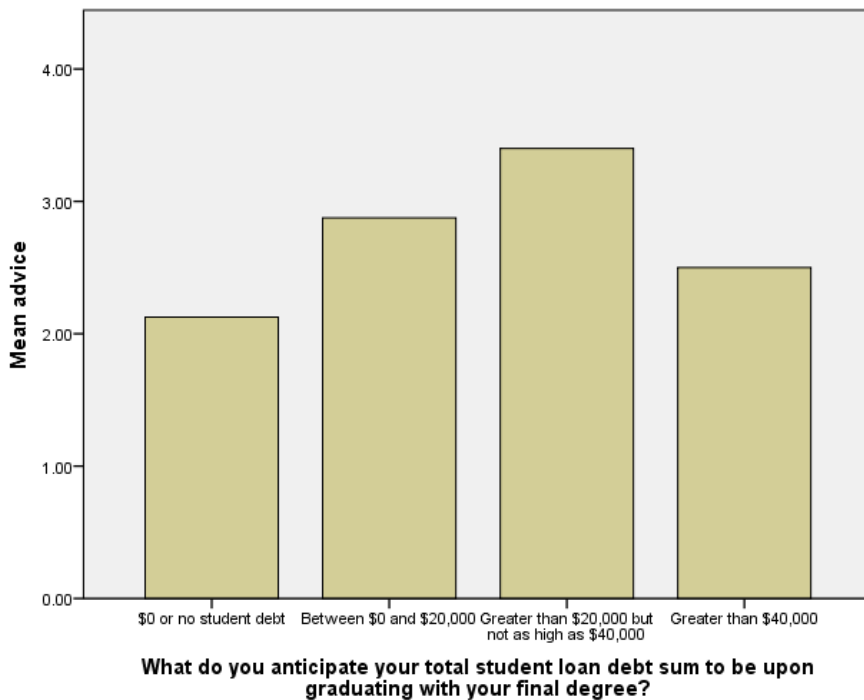


Figure 2. Mean *advice* for each amount of accumulated debt.

Correlation results demonstrated that there was not a relationship between *worry* and *advice* overall,  $r = .07, p = .622$ . In order to paint a more detailed picture of getting advice, a scatterplot was created in which soliciting family advice was plotted against getting advice from college representatives, with lines of best fit created for males and females separately (see Figure 3). The interaction indicated that the males who seek advice from family seemed to have a strong propensity to also seek advice from school representatives,  $r = .70, p = .008$ , and that there was no relationship for females between seeking advice from school and from family,  $r = -.16, p = .346$ .

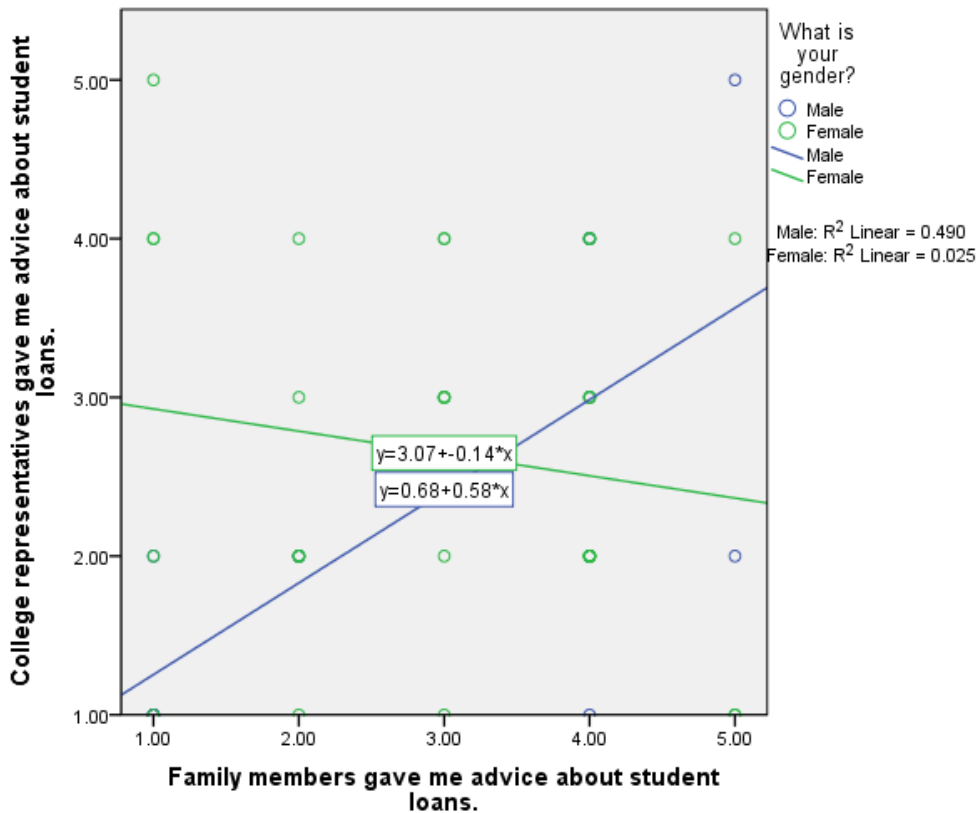


Figure 3. Scatterplot of college representatives gave me advice versus family members gave me advice with lines of best fit for males and females.

Next, to answer the research question about associations of gender and ethnicity, chi-square tests of association were run. The tests showed no significant association between seeking advice from a college representative and gender,  $\chi^2(3) = 4.56, p = .207$  and between seeking advice from a college representative and ethnicity,  $\chi^2(6) = 7.95, p = .242$ . The test of association between receiving advice from a family member and gender,  $\chi^2(4) = 9.32, p = .054$ , and the test of association between receiving advice from a family member and ethnicity,  $\chi^2(8) = 4.13, p = .846$ , were not significant. In each of these tests, sample sizes per cell were small, and this is certainly one reason for the lack of significance.

### IMPORTANCE TO THE FIELD

Graduate students worry about their student loan debt, and they have mixed feelings about their ability to repay their loans. The students in this study had relatively low levels of debt, and yet their worry levels were still high. Not surprisingly, as the participants found their levels of worry increasing, they solicited advice. Thus, before incurring debt, high school graduates should be encouraged to carefully consider all the options (Orman, 2013). Their worry might be mitigated with formal support at the college level. Research questions about demographics suggested that males were more likely to seek advice about student debt than females; thus, counselors might consider reaching out to females in particular.

In order to strengthen validity, this study might be conducted across several universities with a more diverse sample (Jones, 2013; Ross, 2013). A survey with more items about suggestions for relief from worry and for financing education would be instructive. Did the students ask for advice because they were worried? Why did amount of debt not figure into the amount of worry? These questions will be explored further in future research.

In conclusion, the results of this research show the importance of receiving advice from family and college representatives before incurring debt. As mentors, we cannot wait for change in student loan government policy (The Institute for College Access and Success, 2014). Student debt presents a challenge for many individuals who find it hard to determine the course of action that best serves their interests (Ozmy, 2012). Thus, we recommend that school leaders increase resources for teaching students about the long-term effects of student debt. Educators who understand the potential difficulties of student loans can help to reduce the burden by offering timely personal counsel. As teachers and mentors, we can find ways to reduce future debt worry, especially for our under-privileged students.

### REFERENCES

- Anonymous. (2012). Ending student loan exceptionalism: The case for risk-based pricing and dischargeability. *Harvard Law Review*, 126(2), 587-610.
- Baum, S. & Payea, K. (2013). *Trends in student aid*. Retrieved from: <http://trends.collegeboard.org/student-aid>
- College Board Advocacy and Pricing Center. (2013). *Trends in higher education*. Retrieved from: <http://trends.collegeboard.org/>
- Cooke, R., Barkham, M., Audin, K., Bradley, M., & Davy, J. (2004). Student Debt and Its Relation to Student Mental Health. *Journal of Further and Higher Education*, 28(1), 53-66.
- Dunlop, T. (2013). Education is a common good: There should be no losers. *Education Digest*, 79, 18-21.
- Grant, K. L. (2011). Student loans in bankruptcy and the "undue hardship" exception: Who should foot the bill? *Brigham Young University Law Review*, 2011(3), 819-847.

- Gross, J., Torres, V. & Zerquera, D. (2013). Financial aid and attainment among students in a state with changing demographics. *Research in Higher Education*, 54(4), 383-406.
- Holmwood, J. (2012). Markets versus publics. *Harvard International Review*, 34(2), 12-15.
- Jackson, B. A. & Reynolds, J. R. (2013). The price of opportunity: Race, student loan debt, and college achievement. *Sociological Inquiry*, 83(3) 335-368. doi:10.1111/soin.12012
- Jaquette, O. (2006). *Making performance accountability work: English lessons for US community colleges*. (Achieving the Dream Policy Brief). Boston, MA: Jobs for the Future.
- Jaquette, O. (2009). Funding for equity and success in English further education colleges, 1998-2003. *Oxford Review of Education*, 35(1), 57-79. doi:10.1080/03054980802253155
- Jinguo, W. & Rong, W. (2009). Student loans reform in China: Problems and challenges. *Higher Education in Europe*, 34(2), 269-280. doi:10.1007/03797720902867583
- Jones, J. (2013, September 16). Beyond mere talk: How to really help first generation college students. *The Guardian*. Retrieved from: <http://www.theguardian.com/commentisfree/2013/sep/16/first-generation-college-student-my-story>
- Kolb, C. (2011). Reforming American higher education: Implications for a vibrant workforce and a healthy democracy. *Change*, 43(5), 14-17.
- Lipka, S. (2013). No easy fixes for helping students or tracking their progress. *Chronicle Of Higher Education*, 59(46), 24-39.
- Orman, S. (2013). Managing debt. Retrieved from: <http://www.suzeorman.com/resource-center/managing-debt/>
- Ozmy, J. (2012). The poverty of participation: Self-interest, student loans, and student activism. *Political Behavior*, 34(1), 103-116. doi:10.1007/s11109-010-9154-5
- Perna, L. (2008). Understanding high school students' willingness to borrow to pay college prices. *Research in Higher Education*, 49(7), 589-606. doi:10.1007/s11162-008-9095-6
- Ross, A. (2013). Mortgaging the future: Student debt in the age of austerity. *New Labor Forum (Murphy Institute)*, 22 (1), 23-28. doi:10.1177/1095796012471638
- Shapiro, A. (2012). *American dream faces harsh new reality*. National Public Radio. Retrieved from: <http://www.npr.org/2012/05/29/153513153/american-dream-faces-harsh-new-reality>
- St. John, E. P. (2013). Social justice and globalization. *Harvard International Review*, 35(1), 45-49.
- The Institute for College Access and Success. (2014). *Project on student debt: Initiatives*. Retrieved from <http://projectonstudentdebt.org/initiatives.vp.html>
- The Institute for College Access and Success. (2010). Quick facts about student debt: The project on student debt. Retrieved from: [http://projectonstudentdebt.org/files/File/Debt\\_Facts\\_and\\_Sources.pdf](http://projectonstudentdebt.org/files/File/Debt_Facts_and_Sources.pdf)
- VanderDolder, T. (2013, November 19). The education department is rolling in revenue thanks to your student loans. *In The Capitol*. Retrieved from:



<http://inthecapital.streetwise.co/2013/11/19/the-education-department-is-rolling-in-revenue-thanks-to-your-student-loans/>

- Williams, J. J. (2012). Academic freedom and indentured students. *Academe*, 98(1), 10-15.
- Wright, L., Walters, D. & Zarifa, D. (2013). Government student loan default: Differences between graduates of the liberal arts and applied fields in Canadian colleges and universities. *Canadian Review of Sociology*, 50(1), 89-115.