

Too far for comfort: The gap between postsecondary students' financial well-being and help-seeking

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Key Findings

- Many students felt comfortable discussing their financial situation with financial professionals hired by their schools (64 percent) and yet, most students (62 percent) did not actually seek the help they purported to value.
- Overall, first-year students and male students were less likely to seek financial help from financial aid advisors.
- Females, community college students, first-generation students, and parenting students were more likely to experience discomfort when speaking with their parents about their finances than their counterparts.
- Comfort levels when discussing financial circumstances with friends was mixed—49 percent were comfortable talking about their financial situations with friends and 27 percent expressed discomfort with the idea.
- Students who felt uneasy communicating about their financial situations with their friends were more likely to feel that their debt was not manageable and were more likely to report having trouble getting \$500 in cash or credit in order to meet an unexpected need, compared to their peers.

Postsecondary students face a myriad of complex financial decisions and tasks, such as financing their education, choosing a major with a return on investment, budgeting, and crafting repayment strategies for credit card and student loan debt(s). With respect to student loans, many borrowers feel “burdened by the repayment process” and express regret for having borrowed so much.¹ Understanding students' utilization and attitudes when receiving assistance with financial decision-making can serve as a first step when evaluating on- and off-campus financial services.

This brief examines data from 45,624 students at 104 higher education institutions that participated in Trellis' Fall 2021 Student Financial Wellness Survey (SFWS) with a focus on students' comfort discussing financial situations with others and students' monetary discussions with financial aid advisors.



¹ Mueller, T. (2013). Changes to the student loan experience: psychological predictors and outcomes. *Journal of Financial Aid*, 43(3), 147-164.



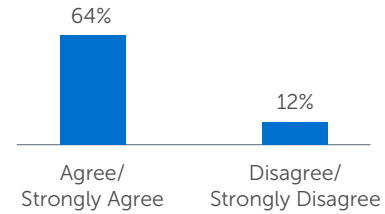
Comfortable Discussing Their Financial Situations with Others

When asked to disclose their hypothetical level(s) of comfort when discussing personal finances with certain groups, many students in SFWS were open to talking with their parents (73 percent) and with financial professionals hired by their school (64 percent).

Although nearly three-quarters of respondents (73 percent) were open to discussing their financial situations with their parents, 15 percent indicated discomfort with this hypothetical scenario. Those who expressed discomfort regarding speaking to their parents in this situation were more likely to be female, attending a community college, first-generation, and parenting. Research suggests that many students, regardless of whether their parents attended college or not, believe their parents may not offer clear, accurate, up-to-date information, advice, tools, or modeling with respect to budgeting, loan types, or completing the FAFSA.²

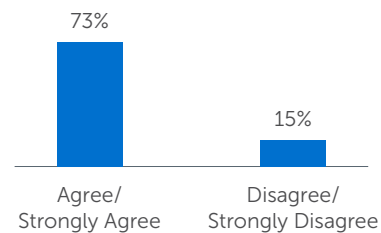
Comfort with speaking about monetary circumstances with friends was mixed. Forty-nine percent of surveyed students were amenable to discussing finances with their friends, while 27 percent were not comfortable. Respondents who did not feel comfortable talking about financial matters with their friends were more likely to think that their total debt amount (e.g., credit card debt, car loan debt, or money owed to family or friends) was unmanageable and were more likely to find it difficult to come up with \$500 in cash or credit to pay for an unexpected expense incurred in the next month. That some students seek empathy and advice from roommates, friends, and classmates, while others are hesitant to discuss financial matters with their peers, especially concerning exact dollar amounts, may help explain this division.³

Q21. Financial professional hired by my school - I am comfortable discussing my financial situation with the following people.*



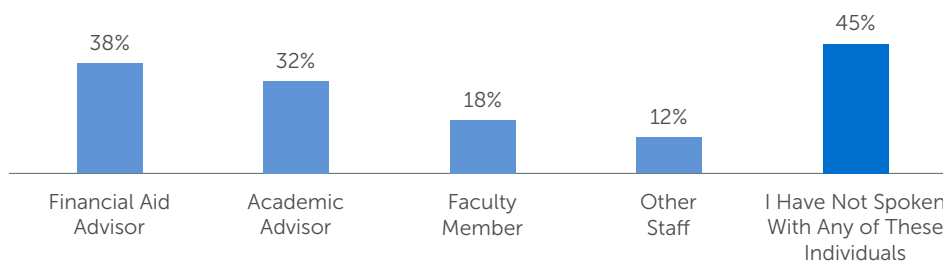
*Responses indicating 'Neutral' are not shown

Q16. My parents - I am comfortable discussing my financial situation with the following people.*



*Responses indicating 'Neutral' are not shown

Q11-Q15. During my time at school, I have spoken with the following individuals about my financial situation. (Check all that apply)*



*Percentages indicate respondents who chose at least one of the above choices

² Harper, C. E., Scheese, L., Zhou, E., & Darolia, R. (2021). Who do college students turn to for financial aid and student loan advice, and is it advice worth following?. *Journal of Student Financial Aid*, 50(3), Article 2.

³ Ibid.



Spoke with Financial Aid Advisors about Financial Situations

There was a large gap between students who felt comfortable discussing their financial situations and those who actually sought help with their finances from financial aid advisors. Despite the willingness of most students (64 percent) to discussing their financial situations with financial professionals hired by their institutions, fewer than two in five students (38 percent) had met with financial aid advisors. Further, nearly half (45 percent) had not spoken with financial aid advisors, academic advisors, faculty members, or other staff members about their finances. First-year students and male students, in particular, were less likely to seek assistance from financial aid advisors. This gender difference is consistent with other research that suggests male students are less likely to pursue assistance from financial, financial aid, and credit counselors.⁴ Still, of the students who do seek help from financial professionals at their institutions, many reported negative interactions, such as “transactional” exchanges and appointments in which they feel rushed.⁵

Conclusion

Given the high percentages of students who do not speak to financial aid advisors yet who feel comfortable discussing their financial situation with others, institutions can implement strategies to help students make informed financial decisions and engage in positive financial behaviors. First, institutions can encourage financial aid professionals to develop deeper, long-term relationships with students through drop-in or mandatory appointments, while also increasing the financial aid officer-student ratio.⁶ To mitigate costs associated with this expansion, financial aid administrators can target populations that underutilize their services, such as first-year students and male students.⁷ Additionally, institutions can help students navigate uncomfortable peer conversations about finances in mandated financial education classes. Lastly, schools can educate parents about topics such as financial aid, college costs, loans, and budgeting through pre-recorded modules or classes.⁸ Providing students with several options for engaging in helpful conversations about finances could help a larger percentage of students improve their immediate and future financial circumstances.

Measures

Comfortable Discussing Their Financial Situations with Others & Spoke with Financial Aid Advisors about Financial Situations

- Q11: During my time at school, I have spoken with the following individuals about my financial situation. (Check all that apply): [Financial aid advisor]
- Q12: During my time at school, I have spoken with the following individuals about my financial situation. (Check all that apply): [Academic advisor]
- Q13: During my time at school, I have spoken with the following individuals about my financial situation. (Check all that apply): [Faculty member]
- Q14: During my time at school, I have spoken with the following individuals about my financial situation. (Check all that apply): [Other staff]
- Q15: During my time at school, I have spoken with the following individuals about my financial situation. (Check all that apply): [I have not spoken with any of these individuals]
- Q16: To what extent do you agree with the following statement: I am comfortable discussing my financial situation with my parents. [Strongly disagree, Disagree, Neutral, Agree, Strongly agree]
- Q18: To what extent do you agree with the following statement: I am comfortable discussing my financial situation with friends. [Strongly disagree, Disagree, Neutral, Agree, Strongly agree]
- Q21: To what extent do you agree with the following statement: I am comfortable discussing my financial situation with a financial professional hired by my school. [Strongly disagree, Disagree, Neutral, Agree, Strongly agree]
- Q41: Would you have trouble getting \$500 in cash or credit in order to meet an unexpected need within the next month? [Yes, No, I don't know]
- Q78: To what extent do you agree or disagree with this statement: The amount of total debt (e.g., credit card debt, car loan debt, or money owed to family or friends) I have right now is manageable. [Strongly disagree, Disagree, Neutral, Agree, Strongly Agree, I do not have other debt]

⁴ Lim, H., Heckman, S., Montalto, C. P., & Letkiewicz, J. (2014). Financial stress, self-efficacy, and financial help-seeking behavior of college students. *Journal of Financial Counseling and Planning*, 25(2), 148-160.

⁵ Harper, C. E., Scheese, L., Zhou, E., & Darolia, R. (2021). Who do college students turn to for financial aid and student loan advice, and is it advice worth following?. *Journal of Student Financial Aid*, 50(3), Article 2.

⁶ Ibid.

⁷ Lim, H., Heckman, S., Montalto, C. P., & Letkiewicz, J. (2014). Financial stress, self-efficacy, and financial help-seeking behavior of college students. *Journal of Financial Counseling and Planning*, 25(2), 148-160.

⁸ Harper, C. E., Scheese, L., Zhou, E., & Darolia, R. (2021). Who do college students turn to for financial aid and student loan advice, and is it advice worth following?. *Journal of Student Financial Aid*, 50(3), Article 2.



About the Data/Methodology

The Student Financial Wellness Survey (SFWS) is a self-reported, online survey that seeks to document the well-being and student success indicators of post-secondary students across the nation. While not nationally representative, responses were weighted to reflect the total student composition at participating institutions. The survey opened on October 25, 2021 and closed on November 15, 2021. One hundred four (104) institutions participated in the survey—71 two-year colleges, 20 public four-years, and 13 private not-for-profit four-years. A total of 715,545 undergraduate students were invited to take the survey, of whom 63,751 responded, yielding a 9.0 percent response rate.

Recent Trellis Research publications

Perception is reality: Attitudes and experiences of student loan borrowers

Cornett, A., Knaff, C., & Fletcher, C. (2022). Perception is reality: Attitudes and experiences of student loan borrowers. Trellis Company. Retrieved from: https://www.trelliscompany.org/wp-content/uploads/2022/08/71646-Research-Brief-AUGUST2022_FINAL.pdf

Juggling Family and Finances: The Financial Situations and Obligations of Parenting Students

Niznik, A., Fletcher, C., & S. Barone. Juggling Family and Finances: The Financial Situations and Obligations of Parenting Students. Trellis Company. Retrieved from: https://www.trelliscompany.org/wp-content/uploads/2022/07/71646-Research-Brief-JULY2022_FINAL.pdf

Hungry minds: Student awareness and use of food pantries at 91 colleges and universities

Cornett, A. (2022). Hungry minds: Student awareness and use of food pantries at 91 colleges and universities. Trellis Company. Retrieved from: https://www.trelliscompany.org/wp-content/uploads/2022/05/71646-Research-Brief-MAY2022_FINAL.pdf

Transportation barriers and school loyalty: Results from Trellis' Fall 2021 Student Financial Wellness Survey

Fletcher, C., & Knaff, C. (2022). Transportation barriers and school loyalty: Results from Trellis' Fall 2021 Student Financial Wellness Survey. Trellis Company. https://www.trelliscompany.org/wp-content/uploads/2022/04/71646-Research-Brief-APRIL-2022_FINAL.pdf

Student Financial Wellness Survey report: Texas community colleges

Fletcher, C., Cornett, A., Knaff, C., & Webster, J. (2022). Student Financial Wellness Survey report: Texas community colleges. Trellis Company. Retrieved from: <https://www.trelliscompany.org/portfolio-items/student-financial-wellness-survey-texas-community-colleges-fall-2021/>

About Trellis Company and Trellis Research Services

Trellis Company ([trelliscompany.org](https://www.trelliscompany.org)) is a nonprofit 501(c)(3) corporation focused on helping people leverage the power of post-secondary education and learning to improve their quality of life and the communities where they live.

Trellis Research ([trelliscompany.org/research](https://www.trelliscompany.org/research)) provides colleges and policymakers insight into student success through the lens of higher education affordability. With more than three decades of experience studying key issues such as student debt, student loan counseling, and the financial barriers to attainment, our research team explores the roles of personal finance, financial literacy, and financial aid in higher education.

Interested in collaborations or need research expertise? Trellis Research welcomes opportunities to inform policymakers and help organizations address their analytical needs. For more information, please contact Trellis Research at Trellisresearch@trelliscompany.org or visit us on Twitter ([@TrellisResearch](https://twitter.com/TrellisResearch)).

The Student Financial Wellness Survey is a free national survey offered by Trellis Company that explores the connections between student finances, academic success, and more. Interested in participating in the Fall 2023 implementation of SFWS? Learn more here: www.trelliscompany.org/SFWS-get-started

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