

Advising Financially At-Risk Students: Detecting and Addressing Premature Affluence

Leigh S. Shaffer, Columbia, Missouri

Academic advisors likely will encounter financially at-risk (FAR) students who jeopardize their chances of completing a college education and compromise their economic futures by accruing burdensome debt. Students may use loans and credit cards to pay for the necessities of a college education, but many also generate personal debt by financing nonessentials while attending college; that is, they borrow to enjoy an expensive lifestyle that they cannot sustain after graduation while living independently. The article traces the history of premature affluence, articulates the borrowing practices that make FAR students susceptible to dropping out of college, and describes the boomerang generation. It concludes with suggestions for detecting FAR students and ways advisors can help all undergraduates make responsible financial decisions.

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Enrolling in college is likely the first major capital investment that young people will make. For many students, it will be their first encounter with a formal loan. From a financial perspective, enrolling in college is equivalent to signing up for a lottery with large expected gains—indeed, the figures presented here suggest that college is, on average, a better investment than it was a generation ago—but it is also a lottery with significant probabilities of both larger, positive, and smaller or even negative returns. (Avery & Turner, 2012, p.188)

In 2012, outstanding student loans became the single largest nonmortgage source of household debt in the United States, and concerns about high numbers of student loan defaults have fed fears about a crisis like that affecting the subprime mortgage market of 2008 (Li, 2013). Although the magnitude of the debt associated with student loans might deter some high school graduates from going to college, many accept the risk, possibly

because of the poor economic prospects for those without postsecondary training or education. Since 1965, the earnings of high school graduates have fallen, on average, more than 10% (as determined after accounting for inflation) (Dewan, 2014). The difference between the earnings of college and high school graduates, the *college wage premium*, has reach an all-time high (Dewan, 2014; James, 2012). At the end of 2012, the median annual income for college graduates was approximately \$45,500 compared to approximately \$28,000 for high school graduates, making the college wage premium as much as \$17,500 (Dewan, 2014; James, 2012). According to a study by the Pew Research Center, possibly because of awareness of the wage premium, students and their parents are willing to go into debt to pay for a college education (Dewan, 2014).

Many high school graduates, who may have gone into the workforce a few years ago, possibly concluded that “the only thing more expensive than going to college is not going to college” (Dewan, 2014, p. B3). Although individual students and their families take the responsibility of borrowing and then live with the consequences, their investment decisions also affect the country. In 2013, Americans owed more than \$1 trillion in student loans (Gilson, 2013; Kadlec, 2013), which drags on any momentum gained in reversing the slow national economy (Kadlec, 2013).

Three categories of students feel the effects of the high-stakes education lottery: college graduates with debt to service, but higher earning potential; high school graduates with no college-related debt to repay, but lower earning potential; and current and former college students with some accumulated college credits and debts to service, but no degree. Of the debt holders, students who fail to complete a college degree are the big losers in the higher education lottery because the college wage premium does not benefit them (Dwyer, McCloud, & Hodson, 2012; Gladieux & Perna, 2005; Kadlec, 2014). The number of students in this no-win category is staggering. For example, recent statistics for the incoming class of 2003–2004 show that fewer than one half of all students had completed a baccalaureate degree or certificate in 6 years,

approximately 15% of this class were still enrolled at the time the study was conducted, and 36% left campus without an academic credential of any kind (Adams, 2010). These former students face bleak economic futures with the same job prospects as high school graduates but with the added burden of the debt they incurred while trying to earn a college degree (Kadlec, 2014).

The back story of nearly every 21st century student includes a narrative on managing debt. As a result, economists openly talk about a new category of at-risk college students: the *financially at risk* (FAR) (Palmer, Bliss, Goetz, & Moorman, 2010; Robb & Pinto, 2010; Wang & Xiao, 2009). Academic advisors work with students regularly whose academic difficulties directly stem from their financial problems, and they cannot help these advisees without addressing their financial decision making (Pellegrin & Zabokrtsky, 2009).

Financially At-Risk Students

Robb and Pinto (2010) defined FAR students as undergraduates who put their college completion, and their future financial well-being, at risk because of their chronic misuse or mismanagement of debt. Although the growing student loan debt has received national attention, students continue to accrue debt through the use of credit cards. Two recent studies (Norvilitis et al., 2006; Norvilitis, Szablicki, & Wilson, 2003) found that college students owe roughly 24% and 31% of their yearly income in payments toward retiring their credit card debt.

FAR students often report the interconnectedness of credit card spending and student loan funding with some using credit cards to cover costs not met by financial aid, and some using student loan funds to make payments on credit card balances (Hoffman, McKenzie, & Paris, 2008; Pinto, Parente, & Palmer, 2001; Robb & Pinto, 2010). College graduates now complete their education carrying, on average, \$25,250 and \$4,150 of student loan and credit card debt, respectively (Hogan, Bryant, & Overmyer-Day, 2013; Johannes, 2008). Although some students misuse student loan money, credit card abuse creates the more serious short-term worry for students who do not begin repayment of student loans until they finish taking classes but must immediately face credit card charges (Robb & Pinto, 2010). Credit card debt often leads to students stopping out, and then dropping out, of school. In fact, colleges typically lose more students to credit card debt than academic failure (Goetz, Cude, Nielsen, Chatterjee, & Mimura, 2011).

Studies have shown that FAR students use their credit cards as sources of short-term, revolving credit, and their spending exceeds their monthly income sufficiently that they must carry unpaid balances from month to month (Lyons, 2004; Palmer et al., 2010; Robb & Pinto, 2010; Wang & Xiao, 2009). Although FAR students may accrue minimal debt in the beginning of their college careers, over time their indebtedness may grow to serious levels (Palmer et al., 2010). Researchers have generally identified FAR students as those who meet one or more of the following five characteristics: carry credit card balances of \$1,000 or more, are delinquent on their credit card payments by two months or more, have reached the limit for their credit card, rarely (if ever) pay off their credit card balances, or use their credit cards to obtain cash advances (Lyons, 2004; Robb & Pinto, 2010). The proportion of college students who qualify as at risk financially remains unconfirmed, but available statistics about their card use suggest that the value may be very high. For example, Wang and Xiao (2009) reported that in 2004 the average outstanding balance on student credit cards is twice that for matching the FAR criteria: \$2,169. Moreover, in 2004, nearly 80% of students reported that they fail to pay the balance due on their credit cards at the end of every month (Wang & Xiao, 2009).

College students experiencing financial independence for the first time engage in many financially risky behaviors (Goetz et al., 2011; Shim, Barber, Card, Jing, & Serido, 2010). Failing to pay a bill on time can lead to legal troubles and credit problems even when the person does not repeat such negative behavior. Other financially risky behaviors include failure to pay bills (including rent or mortgage agreements), writing checks with insufficient funds, holding delinquent accounts, borrowing money from one source to pay another creditor, depending on cash advances to fund expenses generated between paydays, and defaulting on loans (Shim et al., 2010).

Although many people take a few financial missteps, FAR students express a chronic pattern of misbehavior such that they employ one risky behavior to cover the consequences of another. For example, to avoid the immediate ramifications of overspending with credit cards, a financially struggling student may engage in *card shuffling*—shifting credit card debt from one card to another (Bernthal, Crockett, & Rose, 2005), or they may resort to *debt consolidation*—moving credit card debt to another form of revolving credit such as a

home equity loan (Bernthal et al., 2005). The FAR student becomes accustomed to employing these tactics to persist in other desirable activities, including pursuit of a degree. However, once locked into an escalating contest between the urgent need for debt service and the demands of continuing on the educational path, many students must stop out and earn money to retire some of their debt. At the least, working for pay slows students on the road to degree completion as sometimes the 4-year trip becomes a 5- or 6-year journey (Donhardt, 2013).

The time taken to complete a baccalaureate degree has increased over the past 20 years (Joo, Durbano, & Grable, 2010) for many reasons. In fact, the competing demands of academic and paid work comprise the most recognized reason for a delay. However, despite the work-school compromise that slows down academic progress, the effort rarely resolves the urgency of the credit debt crisis; in fact, students may stop out and ultimately drop out (Adams, 2010; Donhardt, 2013; Selingo, 2012), thus falling into the no-win category among student-loan lottery players. Risky financial behaviors reap consequences both for the student and the institution as attrition rates rise from financial problems rather than academic failure (Adams, 2010; Donhardt, 2013; Selingo, 2012).

Based on the stories featured in the press, one might surmise that the cause of student credit-card debt results from high direct costs of a college education, including tuition and fees (Avery & Turner, 2012). Indeed, college tuition and fees have been increasing, legislative support for 2- and 4-year public colleges has been eroding, and the basis for financing a college education is shifting from grants to loans (Dwyer et al., 2012; Li, 2013).

However, in addition to facing the challenges created by an inherent economic structure that continues to drive up the costs of attending college, many students struggle with keeping an unsustainable, affluent lifestyle that they enjoyed both before and during the pursuit of a baccalaureate degree (Joo et al., 2010; Shaffer, 2012). Faced with the choice of forgoing a car, buying personal amenities, traveling, or partying while attending college, many students choose to work more hours to pay for items or experiences not directly related to college. As a result, the nationally recognized problem of mounting debt, as due to an increased dependence on student loans, is compounded by students' spending habits.

Premature Affluence

The Emergence of Affluent Student Lifestyles

Bachman (1983) introduced the term *premature affluence* in the 1980s to refer to the emerging pattern of discretionary spending—that is, money spent on items other than one's own living expenses such as rent, utilities, groceries, health care, and other necessities—displayed by high school students with part-time jobs. His research on student employment and spending habits revealed that although some students contributed to their own living expenses and saved money for college or other long-term expenses, the majority spent most of their money on cars, clothes, entertainment, recreation, hobbies, gifts, and other personal items (see also, Steinberg, Epstein, & Owen, 1998). Bachman discovered that parents provided for all or most of the students' living expenses, allowing the studied students (who lived at home) to spend their earnings solely on nonessentials for themselves. Bachman referred to the student spending patterns as *affluence* because it reflects discretionary spending. Buchman referred to the spending habits as *premature affluence* because many, if not most, of these individuals would be unable to sustain their consumption upon matriculation if they were forced to pay for their own college room and board (Shaffer, 2012).

After World War II, opportunities for high school students to earn significant amounts of money had multiplied because of growth in the service sector of the economy, especially the fast food industry. Despite arguments that part-time employment among high school students presents a means for young people to learn financial responsibility and the value of a dollar, Bachman (1983) concluded that allowing students to engage in complete discretionary spending without bearing any costs of their own living expenses resulted in a sense of entitlement to an affluent lifestyle that most of them could never sustain as independent adults. In fact, Bachman found that individuals, including those fully employed and earning more money than they had during high school, experienced less satisfaction with their postgraduation standard of living. Social psychologists refer to the experience that Bachman described as *relative deprivation*—a sense of resentment based on a belief that one is being divested of a deserved status or an expected standard of living (Shaffer, 2012).

Since Bachman published his research in 1983, more high school graduates have matriculated into college and the locus of the premature affluence problem has shifted from secondary to postsecondary students (Shaffer, 2012). Although some students anticipate living like a starving artist, more enter college expecting to make few sacrifices in their accustomed living standard, which may prove unsustainable even after they have earned a college degree (Shaffer, 2012). In fact, college students strive to be admitted to college believing the resulting degree will allow them to make enough money to live an upper-middle class lifestyle (Bonfiglio, 2009; Shaffer, 2012).

A long list of expenditures in addition to the costs of tuition, fees, books, housing, and meal plans cause skyrocketing college costs. Students accustomed to liberal amounts of spending money may see the following items as necessities rather than luxuries (“Boomerang Generation,” 2008; Robb & Pinto, 2010; Shaffer, 2012):

- *comfortable accommodations.* Some students plan to spend up to \$1,000 on furnishings and decorations, such as furniture, appliances, electronics, rugs, and the like, for their residence hall room (Clark, 2005).
- *cars on campus.* When college rules permit it, students often want to keep a car on campus, meaning they will be making monthly payments on auto loans, gasoline and oil, maintenance, and insurance (Clark, 2005; Hayhoe, Leach, Turner, Bruin, & Laurence, 2000).
- *cell phones and electronic computing devices.* Students can easily rack up large bills for monthly plans that cover costs of connection and services such as texting and web access minutes as well as downloadable apps and games (Cheney, 2010; Fairlie, 2010; Hayhoe et al., 2000; Lepp, Barkley, Sanders, Rebold, & Gates, 2013; Saadi, 2010; Seckler, 2005; Shaffer, 2012).
- *computers.* Only a decade ago, most students only owned a desktop unit. Now, they purchase laptops, notebooks, and tablets to take with them to class or the library. Once purchased, these devices often trigger more spending as users acquire software packages as well as noneducational games and music to enjoy (Fairlie, 2010; Geer, 2012; Shaffer, 2012).
- *entertainment.* Students spend for one-time events, such movies or concerts, and extended sprees of celebrating and partying, which often include the costs of alcohol (despite the likelihood that many drinkers will be under the legal age to consume it) (Bernthal et al., 2005; Johnson & Lino, 2000; Wang & Xiao, 2009).
- *apparel and footwear.* Although no one can argue the utility of appropriate attire, the desire to dress fashionably can drive up the costs of living considerably (Bernthal et al., 2005; Bodnar & Johnston, 1993; Hayhoe et al., 2000; Seckler, 2005).
- *food.* Over the costs of meal plans, most students pay for food consumed away from campus as well as for special meals and celebrations with friends (Alvarez Marten et al., 2009; Bernthal et al., 2005; Brooks, 2005; Johnson & Lino, 2000; Wang & Xiao, 2009).
- *personal care products and services.* Students must purchase items required for personal grooming, but the costs of salon hair treatments, manicures, and pedicures can add up quickly (Seckler, 2005).
- *travel.* The single biggest ticket items contributing to college costs often involve travel. Many prospective college students consider seasonal entertainment travel packages inherent to the college experience and fully expect to follow the football team on the road, book winter ski trips, and, of course, participate in spring break in the southern hotspots (Hayhoe et al., 2000; Higgins, 2002; “Yikes! My Kid’s a Social Butterfly,” 2004).

Some students possess the means to live an expensive lifestyle, but for those less wealthy the temptation to overspend beyond one’s means, going into debt, creates problems with potential long-term effects (Shaffer, 2012). The easy availability of credit cards promotes overspending, and the growth of credit card debt reflects the means by which many students establish and maintain their affluent lifestyle.

The Role of Credit Cards in College Student Debt

College students typically go through a unique developmental phase as they transition from direct

parental supervision and support to independence and responsibility for themselves (Shim et al., 2010; Wang & Xiao, 2009). Although they have likely learned consumer attitudes and cash management skills from their parents, most college students have reached an age to sign their own legally binding documents, such as credit agreements, and thus begin accessing credit with minimal or no oversight (Wang & Xiao, 2009). Most students make mistakes in handling their finances, but the steep learning curve in the handling of credit cards creates particular hazards for those practicing a trial-and-error approach to personal financial management (Silver-Greenberg, 2007)

Credit cards offer unique borrowing experiences because of the ease with which they are issued and universally accepted by merchants (Bernthal et al., 2005). In addition, credit card companies target college students because of the volume and habits of their discretionary spending (Hoffman et al., 2008). In 2008, for example, college students collectively exerted approximately \$237 million in spending power, which translated into an average of \$17,400 per student ("Big Bucks on Campus," 2008). Ironically, the recession that affected so many people made little difference in students' purchasing behavior: 85% continue to receive financial support from parents, so students, as a group, were buffered from the impact of the economic downturn ("Big Bucks on Campus," 2008).

Credit card companies regularly extend a level of credit beyond students' current incomes and means to pay (Bernthal et al., 2005; Silver-Greenberg, 2007). These policies would seem to reflect bad business practices, but the companies count on helicopter parents to swoop in and bail their indebted children out of financial crises (Scott, 2007; Silver-Greenberg, 2007). These practices also benefit sellers because students with credit cards tend to overspend (Dougherty, 2010; Robb & Pinto, 2010; Silver-Greenberg, 2007). Most college students have grown up with credit use as a way of life (Robb & Pinto, 2010); they accept indebtedness and expect to take on extensive financial obligations from credit while attending college (Silver-Greenberg, 2007).

Student borrowers use their credit cards to "construct the lifestyles to which they feel entitled with little regard for the implications of such practices for economic capital" (Bernthal et al., 2005, p. 142). More specifically, "Credit card practices exemplify their entitlement ideology through the employment of commodity consump-

tion directly in the service of attaining or maintaining status, as well as altering mood" (Bernthal et al., 2005, p. 142). When students do not find intrinsic rewards in attending college, especially if their motivation to enroll stems from fear of earning less than their college-bound peers, they often feel compelled to spend money to reward themselves for enduring the hardships of going to classes and doing assigned class work (Bernthal et al., 2005).

Credit card practices guided by an entitlement ideology often result in a myopic, short term focus on need gratification or mood repair. . . . These practices represent the ability to gratify and self-medicate with card-enabled consumption during times of distress. In other words, informants frequently felt entitled to feel good. (Bernthal et al., 2005, p. 142)

Cascading Financial Consequences of Risky Financial Behaviors

The transition to college life usually requires students to master a variety of new economic behaviors and skills, including budgeting, making debt payments on time, planning for large purchases, saving for retirement, and repaying student loans (Britt, Cumbie, & Bell, 2013). Mistakes in financial decisions will affect college students, even those employed in the postrecession economy, for a long time.

For example, Drew Brees, NFL Pro Bowl quarterback for the New Orleans Saints, recently admitted that he had learned the importance of financial literacy for college students during his rookie season in pro football when he tried to apply for a mortgage to buy his first home. A routine credit check revealed a low credit score created by a cell phone bill left unpaid during college. Brees eventually obtained a mortgage, but at a much higher interest rate than required by a peer with better credit. Realizing the commonality of financial ignorance of U.S. high school and college students, Brees has partnered with a credit card company to distribute financial education materials in the form of a video game (Brees, 2010; Goetz et al., 2011). Others are calling attention to the growing problem of student indebtedness and financial stress affecting college students (e.g., Avery & Turner, 2012; Shaffer, 2012; Travnichek, 2013).

Like the collegiate Drew Brees, some students fail to pay bills, but many others remain unaware of the way revolving credit agreements work, and therefore, they do not appreciate the impact of the terms on their credit ratings (Shaffer, 2012). After maxing out their credit cards, students may ask the company issuing the card to raise their credit limit for additional purchases (Bernthal et al., 2005). FAR students rationalize the continued accumulation of credit card debt through false information or unrealistic beliefs about the difficulty of repaying their debt in the future (“A Third of Students Will Face Long-Term Card Debt, Study Shows,” 2008). For example, some borrowers fail to understand (or consider) the effect of compounding interest charged on their credit cards and as a result believe that the required monthly payment directly reduces the balance owed on their credit card. Other borrowers justify their risky behavior by pointing to the anticipated postgraduation job that will provide enough earnings to maintain their affluent lifestyle while they pay off their debts (Bernthal et al., 2005).

Credit card companies aggressively target college students and often issue credit cards with spending limits inappropriate for incomes of the typical undergraduate (Hogan et al., 2013; Palmer et al., 2010; Silver-Greenberg, 2007). This tactic stimulates students to overspend (Robb & Pinto, 2010; Wang & Xiao, 2009), leading to missed, late, or minimum payments, which allow lenders to add charges and raise interest rates on the entire unpaid balance (Silver-Greenberg, 2007). A practice called *universal default* allows lenders to raise the interest rates of their borrowers who fail to make payments on any credit card the borrower holds. Therefore, a student who defaults on one credit card may find that the interest rate on each card has also been raised to the highest, legally permissible rate for the entire debt, including that incurred before the default (Silver-Greenberg, 2007).

Perhaps the worst possible consequence of holding both student loan and credit card debt and defaulting on either, regardless of reason (such as job or asset losses), shows in the long-term. Research indicates that borrowers typically default on student loans first, often using the money earmarked for student loan payments to keep up with their credit card payments so that they can continue to borrow money for nonschool expenses (Li, 2013). Economists call this strategy *preserving liquidity* (Li, 2013). The benefits of this approach, however, are very limited: Delin-

quent student loans usually force the borrower into a repayment plan lasting 10 to 15 years, possible garnishment of wages during the repayment period, and rescinded tax refunds and other federal benefits as well (Li, 2013). Furthermore, many delinquents are denied applications for new credit cards, experience cuts to the limits on cards they currently carry, and must pay increased interest rates on further use of credit (Li, 2013).

In the cruelest irony, the basis of the typical FAR student narrative—the assumption that the inevitable well-paying job, which prompted initial college enrollment, will ameliorate all past financial mistakes—qualifies as farce (Shaffer, 2012). College dropouts, including those who work to redeem their credit, do not qualify for most high-paying jobs without a degree, and graduates with poor credit histories generally are passed over by employers, who now regularly investigate applicants’ credit histories (Shaffer, 2012). After being rejected for job openings, and often turned down for nice apartments by landlords who have also looked at their credit reports, many young adults move back in with their parents and become part of the *boomerang generation* (“Boomerang Generation,” 2008; Davidson, 2014).

The Emergence of the Boomerang Generation

Often motivated by the belief that a college degree provides the key credential to entering the labor force (Shaffer, 1997/2009, 2012), students matriculate expecting the college wage premium to permit them to easily pay off their student loans and credit card debt while maintaining or improving their lifestyle (Dolliver, 2010). The realities of the postrecession economy shatter the illusion and the sticker shock of the costs of housing, health care, insurance, and the other necessities of life contribute to the rude awakening from the dreamy visions created by premature affluence (Bonfiglio, 2009; Li, 2013; Vigeland, 2011).

When they discovered that they cannot maintain their standard of living and pay their own expenses, as many as 85% (Avery & Turner, 2012) have returned to live with their parents (Bonfiglio, 2009; Kadlec, 2013; Shaffer, 2012), earning the name *Boomerang Generation* (Davidson, 2014; “Boomerang Generation,” 2008; Kadlec, 2013). In fact, as news of the economic realities reached campus, students began making arrangements to return home as soon as they graduate. As a result, parents are realizing that

their adult children might be home to stay for an indefinite period (Avery & Turner, 2012). In addition to the high school and college graduates struggling to find work, many working graduates have returned home to restore their pre-college standard of living as their parents resume paying their basic living expenses (Bonfiglio, 2009).

Implications for Academic Advisors

“Juan” is a first-term freshman who made an academic advising appointment to discuss needed courses for next term. When he arrives for the appointment, he has something else on his mind—his financial situation. Juan received grants and loans for college, but he still has a \$5,000 gap of unmet need and a \$500 credit card debt. Juan has campus work-study hours he fulfills weekly, but he is worried about paying for next year. He has considered “stopping out” to work full-time until he can earn enough money to pay for another term. (Murray & Yang, 2010, ¶1)

Financial woes often contribute to poor academic performance and failure to persist to graduation (Pellegrin & Zabokrtsky, 2009; Shaffer, 2012). Although the financial aid office offers the best resources for helping students with fiscal issues, academic advisors should recognize the scope and effects of financial distress on their advisees (Pellegrin & Zabokrtsky, 2009). In fact, advisors need to realize that students may not appreciate the financial aid information presented during the admissions process and new student orientation because they have not yet faced budget challenges; that is, information given too soon does not add optimal value to the recipient experience (Di Pierro, 2012). Instead, students may benefit most by receiving answers to questions about financing as they can use the information, when it may make the difference between persisting and dropping out (Pellegrin & Zabokrtsky, 2009). In addition to knowing basic financial-aid information, such as the difference between grants and loans as well as the financial aid application deadlines, advisors should develop connections with colleagues in the campus financial aid office (Hitchcock, 2012; Olive-Taylor, 2010; Pellegrin & Zabokrtsky, 2009). Advisors best help a FAR student by referring directly to a knowledgeable person, not just an office (Hitchcock, 2012).

Students may not speak openly about money problems, so academic advisors should learn to look for warning signs that a student is experiencing financial stress. When FAR students bring up finances or ask questions about financial aid, they often provide clues about their overall funding situation, lifestyle, and financially risky activities (Hitchcock, 2012). The following examples illustrate comments that indicate the student qualifies as FAR:

- I am considering dropping out for a term to pay some bills.
- I want to take some time to graduate; maybe I won't take so many classes this semester.
- I didn't buy the required textbooks for the class.
- With my work schedule, it's hard to get my school work done.
- Can I use my student loan money to buy a car?
- I like my studies, but I'm thinking of changing majors to get a better paying job.
- I don't always attend that class.
- I know I can't really afford it, but I just couldn't pass up such a great deal on the motorcycle.
- I need to withdraw from courses so I can put in more hours at work.
- I am going to cut out early to go on vacation.

By asking a few probing questions about the specifics of a student's situation, advisors can promote understanding of risky choices and constructively address student challenges stemming from financial troubles.

Academic advisors recognize the importance of cooperating with other campus offices (e.g., multicultural affairs and disabilities services offices) when supporting potentially at-risk students (Olive-Taylor, 2010); they need to use the same felicity with resources for FAR students. Because risky financial behavior can blindside students with life-altering consequences, academic advisors may need to take an intrusive advising approach with FAR advisees. Because more than one quarter of freshmen and one third of seniors do not buy required textbooks because of the cost (Sander, 2012), advisors should consider contacting FAR students early in the term to encourage them to purchase all of their books. To avoid immediate dangers, such as defaulting on a credit card, an

advisor may suggest that the student set an appointment with an attorney who does pro bono work for the college (Goetz et al., 2011).

Once crises have been averted, advisors can take the initiative in helping students proactively handle their finances. Some institutions have developed traditional avenues of financial education delivery, such as general education courses, workshops, and seminars (Goetz et al., 2011), and advisors should (at least) direct FAR students to these programs. Others have established financial counseling centers and peer-education programs (Goetz et al., 2011), and advisors can encourage FAR students to develop a relationship with a counselor or a peer-educator. At minimum, FAR students must develop a long-range plan for financing their education through the completion of a degree.

In a bizarre twist of the times, some economists warn that many students do not borrow enough money to finance the costs of their education (Avery & Turner, 2012). If they borrow too little through low-interest, deferred-payment student loans and then end up bridging the shortfall in financing by charging the balance on high-interest, immediate repayment credit cards, students often drop out of college to service their credit card debt (Avery & Turner, 2012; "Credit Cards on Campus: A New Form of Student Loan?" 2005). Advisors should work with FAR students to plan their financing of upcoming academic terms just as they help them to make important academic decisions concerning choice of majors and course work.

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Author's Note

Leigh S. Shaffer is professor emeritus of sociology, West Chester University. Correspondences may be addressed to him at lshaffer@wcupa.edu.