

Rebecca A. Ray, Sara K. Ray, B.A., Clinton G. Gudmunson, Ph.D., Megan M. Gilligan, Ph.D., Suzanne Bartholomae, Ph.D.

College Tuition Increases and Student Financial Stress

Introduction

There is much discussion about the price of attending college both within and outside the university setting. It has been discussed in the political sphere as a hot topic in debates and candidacy platforms in the most recent presidential election and on the floor of state legislatures. Previous research has established financial strain as a source of stress for college students and indicates that price responsiveness to tuition costs is greater for upperclassmen (college students who are already enrolled) than prospective freshmen (Adams, Meyers, & Beidas, 2016; Deasy, et al., 2014; Heller, 1998; Robotham & Julian, 2006). This study takes a different approach to the discussion of college tuition costs and specifically examines the impact of college tuition increases on students' experiences related to financial stress. The data used in this study comes from the 2014 National Student Financial Wellness Study and the Integrated Postsecondary Education Data System (IPEDS). The sample for this study is drawn from 38 public institutions and is composed of 5,693 emerging adult age college students who are in their second year or later of their degree.

Research Question

Do tuition increases lead to financial stress in college students?

Methodology

Measures:

- **Independent Variable:** Cumulative Tuition Increase
- **Dependent Variable:** Financial Stress
- **Covariates:** Financial Behavior, Financial Knowledge, GPA, Student Athlete, Class Standing, Gender, Race, ESL, and Parent Education Level.

Analysis Method:

The analysis for this study was conducted using ordinary least squares regression.

Results

Descriptives (N = 5,693)

	Mean (SD)	N (%)
Financial Stress	2.638(.815)	
Cumulative Tuition Increase		?
Financial Behavior	2.928(.571)	
Financial Knowledge	2.980(1.304)	
GPA	3.339(.464)	
Student Athlete		199(3.5%)
Class Standing		
Sophomore		1,637(28.8%)
Junior		1,797(31.6%)
Senior		1,513(26.6%)
5+		746(13.1%)
Gender		
Female		3,713(65.2%)
Male		1,912(33.6%)
Other		68(1.2%)

Omitted Variables: Non-traditional Age, ESL, Race, Parent Education Level

Ordinary Least Squares Regression Results (N = 5,693)

	Model 1 Estimate (S.E.)	Model 2 Estimate (S.E.)	Model 3 Estimate (S.E.)
Cumulative Tuition Increase	.060*(.026)	.033(.026)	.024(.025)
Financial Behavior		-.033(.018)	-.039*(.018)
Financial Knowledge		-.057***(.008)	-.030***(.008)
GPA		-.339***(.023)	-.324***(.023)
Student Athlete			-.169**(.056)
Class Standing (Reference = Sophomore)			
Junior			-.068*(.027)
Senior			-.066*(.028)
5+			-.030(.037)
Gender (Reference = Female)			
Male			-.261***(.023)
Mother Education Level			-.040***(.008)
Father Education Level			-.048***(.007)
R ²	.001	.051	.103

*p < 0.05 **p < 0.01 ***p < 0.001
 Omitted Variables: Non-traditional Age, ESL, Race, Other Gender

Findings & Implications

Key Finding: High tuition increases were not significantly associated with student financial stress.

Additional Findings: Students who engaged in more positive financial behaviors and demonstrated higher levels of financial knowledge were less likely to experience financial stress. GPA, parent education level, being male, and being a student athlete were all associated with lower financial stress scores.

Implications: The findings from this study have implications for the discussion of college student financial stress occurring in the mental health, financial education, and higher education communities. To address student financial stress, these communities may consider implementing programming to teach financial knowledge and promote positive financial behaviors on college campuses.

References

- 1 Adams, D. R., Meyers, S. A., & Beidas, R. S. (2016). The relationship between financial strain, perceived stress, psychological symptoms, and academic and social integration in undergraduate students. *Journal of American College Health, 64*(5), 362-370. doi: 10.1080/07448481.2016.1154559.
- 2 Deasy, C., Coughlan, B., Pironom, J., Jourdan, D., & Mannix-McNamara, P. (2014). Psychological distress and coping amongst higher education students: A mixed method inquiry. *PLoS One, 9*(12), e115193. doi: 10.1371/journal.pone.0115193
- 3 Heller, D. E. (1998, November). *A comparison of the tuition price and financial aid responsiveness of first-time enrollees and continuing college students.* Paper presented at the Annual Meeting of the Association for the study of Higher Education, Miami, FL.
- 4 Robotham, J., & Julian, C. (2006). Stress and the higher education student: A critical review of the literature. *Journal of Higher Education, 30*(2), 107-117. doi: 10.1080/03098770600617513