

A REVIEW OF STUDENT FINANCIAL CONCERN AND THE EFFECTS OF WORKING AT THE UNIVERSITY OF IOWA



A BRIEF ON FINDINGS FROM THE 2014 STUDENT EXPERIENCE IN THE RESEARCH UNIVERSITY SURVEY

This report presents, and summarizes selected findings gathered from the 2014 Student Experience in the Research University (SERU) survey administered at the University of Iowa. This report summarizes the aggregate responses for the student body as a whole, and does not necessarily reflect the perceptions of specific individuals or demographic group.

In order to assist in the understanding of how the University of Iowa compares we have created two benchmark groups. A “CIC” group (Committee on Institutional Cooperation) that is comprised of the Big Ten institutions that participated and an “Other” group that is comprised of all other AAU (Association of American Universities) institutions that participated in the 2014 administration of SERU. A full description of the schools in each group can be found in the Overview section of this report.

This report is organized according to survey question topic. Below are some selected highlights:

- **Financial Background and Social Class:** Findings from the 2014 distribution of SERU at the University of Iowa indicate that respondents report their social class and parental income in similar distributions to our benchmark groups. The majority of students (47%) reported middle class. When we examine the financial questions in more depth we find:
 - First generation students report much lower perception of their social class growing up.
 - 31% of First generation students report parental income under \$50,000 compared to only 8% of Non-first-generation students.
- **Working and its Effects:** Iowa undergraduates report higher frequencies of working both on-campus (39%) and off-campus (27%) and report working more hours per week than the benchmarking peer groups.
 - UI students perceive that working for pay, while an undergraduate, has little effect on their academic activities but perceive a boost in their personal and interpersonal (soft skills) skill sets.
 - When first generation students are examined we see that they report working about the same on-campus (2% difference) but vastly more off-campus (14% difference) than non-first-generation students.
 - First Generation students report working, on average, 4.8 more hours than non-first-generation students.
- **Sources of Income:** 54% of UI students report that financial support from their families is the most important source of income they receive of those sources asked.
- **Concerns about Finances:** All students’ report some concern about finances and this seems to be a universal concept as UI follows closely (and in similar patterns) to the benchmark peer groups.
 - Higher levels of concern and lower GPA are consistently negatively correlated across multiple financial concern questions.
 - When first generation students are examined, they report higher levels of concern about debt, ability to pay, and ability to pay next year than non-first-generation students.
- **Satisfaction with Value and Manageability of Cost:** Despite the somewhat drastic differences in levels on concern about finances and amount of work reported, first generation and non-first-generation students report similar amounts of satisfaction with the value of the education they are receiving as well as similar ability to manage the total cost of attendance.

INTRODUCTION

Dear UI Colleague,

Thank you for taking the time to review and reflect on the SERU survey questions which focus on the following topics, including an analysis of the responses of first generation and non-first-generation students.

- Financial background and social class
- Working and its effects
- Sources of income
- Concerns about finances
- Satisfaction with Value and Manageability of Cost

College affordability and student loan debt is a serious topic that is being discussed across our nation. It is important to the University that students manage and understand their loan indebtedness. To that end, the Office of Student Financial Aid offers assistance through Financial Literacy Services to loan applicants and to all students who want to better understand how to budget their money. The office will continue to expand these offerings to students in the future. To learn more about these services or to refer students for assistance, please visit financialaid.uiowa.edu/resources/financialliteracy or email financial-literacy@uiowa.edu.

Student employment can be an important bridge to future success. The Office of Student Financial Aid offers the UI STEP (Student to Employed Professional) program to help students better understand the transferrable skills learned on the job and the role student employment plays in their path to professional employment. Based on survey results, more can be done to assist first generation students in attaining employment on campus. To learn more about the UI STEP program, please visit financialaid.uiowa.edu/studentemployment/students/step or email student-employment@uiowa.edu.

I look forward to discussions with campus colleagues on the SERU findings and ways that office staff can partner with your offices to facilitate student success and retention.

Sincerely,

Mark Warner,
Assistant Provost and Director of Student Financial Aid

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OVERVIEW

In the spring of 2014 the University of Iowa participated in a campus-wide undergraduate survey designed to gather information about the undergraduate student experience on campus.

Students were asked questions over a range of topics such as academic and community engagement, experiences in the major, overall satisfaction, and perceived campus climate for diversity in a concerted effort to provide insight about factors affecting student learning and development at UI.

The response rate was strong in 2014 (24.2%) and the profile of respondents was broadly representative of the undergraduate population. The data gathered continues to produce tremendous insight about UI students and their college experience.

THE SERU PROJECT

Based at the Center for Studies in Higher Education at the University of California, Berkeley, the SERU Consortium includes a peer group of top ranked and progressive U.S. and international large research institutions.

The SERU Survey offers a systematic environmental scan of the undergraduate experience and an in-depth analysis of the varied types and levels of undergraduate engagement in research universities.

The SERU Survey employs a modular design in order to include a greater number of items, and to decrease individual response times. It has a set of core questions administered to every respondent—for example, questions on time use, evaluation of a student’s major, and satisfaction—as well as five unique modules of additional questions that are randomly assigned.

In 2014 the SERU project included 16 major U.S. research universities. For comparison and

evaluation purposes we have broken the participating universities into two benchmark groups:

The CIC Benchmark Group

- Indiana University – Bloomington
- University of Iowa¹
- University of Michigan at Ann Arbor
- University of Minnesota - Twin Cities
- Purdue University
- Rutgers University

The “Other” Benchmark Group

- University of California – Berkeley
- University of Florida
- University of North Carolina - Chapel Hill
- University of Oregon
- University of Pittsburgh
- University of Southern California
- Texas A&M University
- University of Texas at Austin
- University of Virginia
- University of Washington

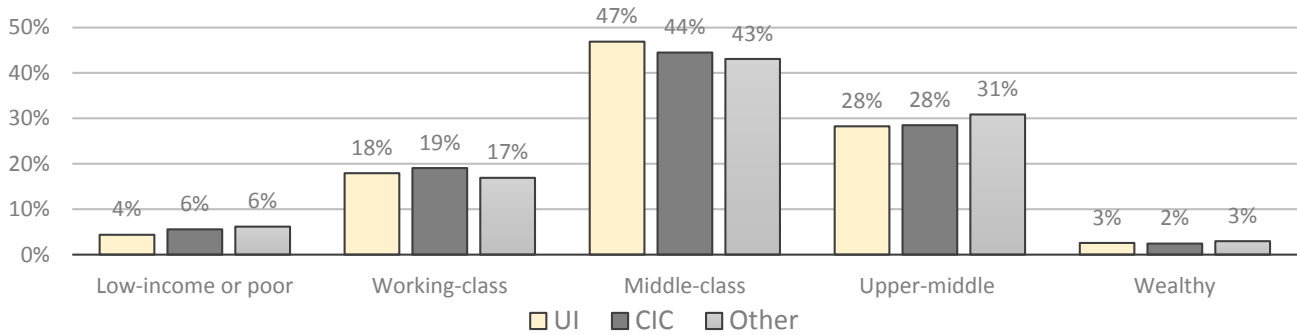
METHODOLOGY

The SERU survey was administered online in spring of 2014 between the last day of spring break and two weeks after the end of the spring semester. During this period the students were directed to the survey through a series of electronic notices and advertisements authored by campus leaders. All participating students were directed to complete a core module and then were randomly assigned one of two additional modules. The randomly assigned portion of the survey consisted of a civic engagement and a UI authored wildcard module. The sampling method was based upon a census of all degree seeking undergraduate students enrolled at spring census. In 2014 there were 19,853 total students sampled with 4,814 responding.

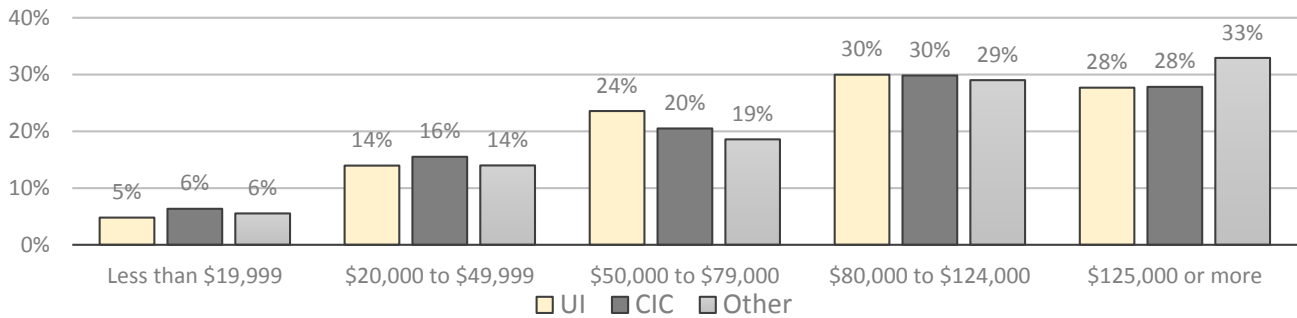
FINANCIAL BACKGROUND AND SOCIAL CLASS

When undergraduate survey participants were asked to describe their “social class” when growing up UI respondents resembled the comparison groups with the majority of students describing themselves as “middle-class¹”. UI did have a slightly smaller proportion of student reporting “Low-income or poor & working class” than did the comparison groups (UI =22%, CIC=25%, Other=23%)

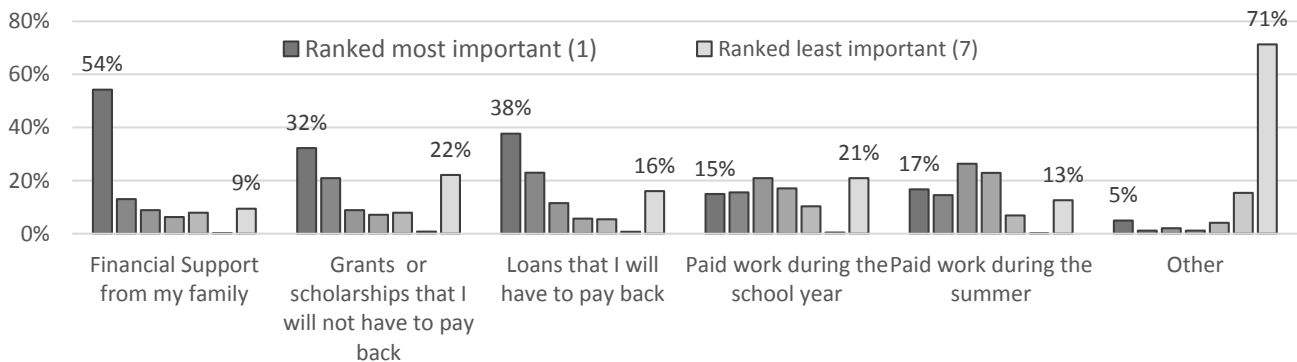
Which of the following best describes your social class when growing up?



To the best of your knowledge, which category includes the total annual combined income of your parent(s) before taxes in 2013?



Please rank the following sources of money in terms of their importance in paying for you college expenses at Iowa.



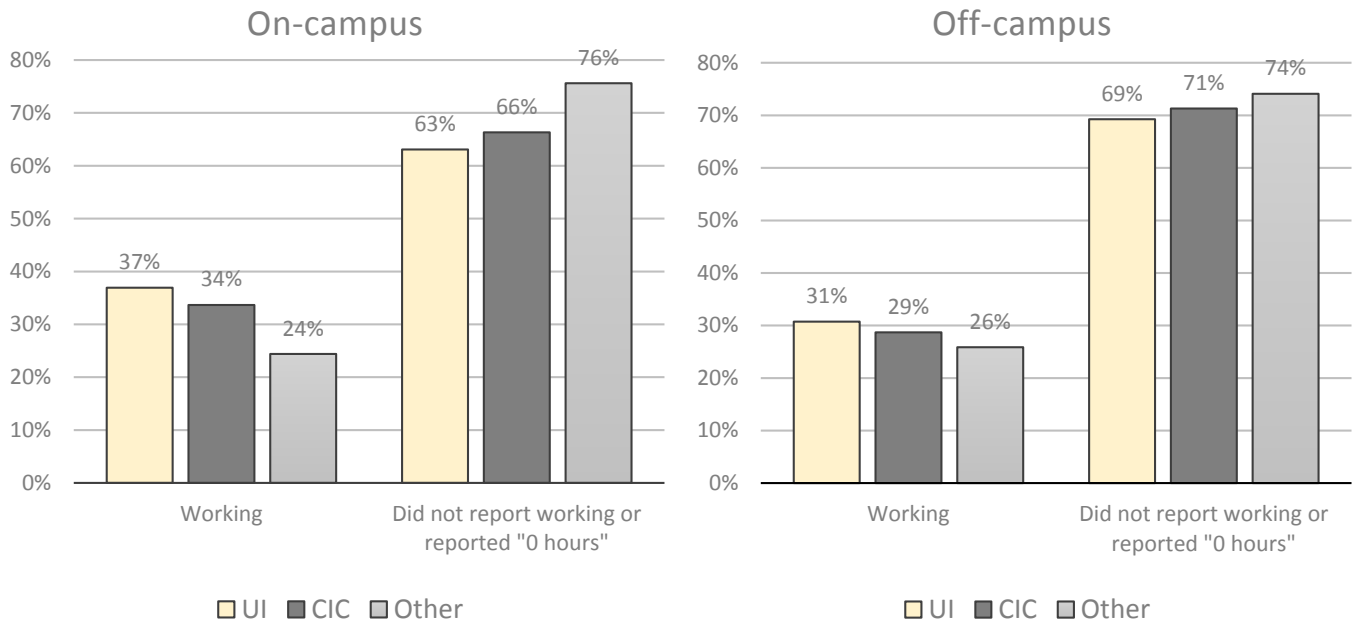
¹ There were no income guidelines offered in the question to help describe the boundaries of each social class

REPORTED WORKING

When asked how many hours students worked on and off campus UI closely mirrored its peers with only a 3% difference (UI & CIC). UI students report higher frequencies of working (both on and off campus) as well as higher number of hours worked in a 7 day week than their peers.

How many hours do you spend in a typical week (7 days) working?

	<u>UI</u>	<u>CIC</u>	<u>Other</u>
% of Students that report working	60%	54%	46%
Average Hours per week	11.0	9.4	7.7



Average Hours per week spent working on campus

UI	13.7
CIC	12.5
Other	13

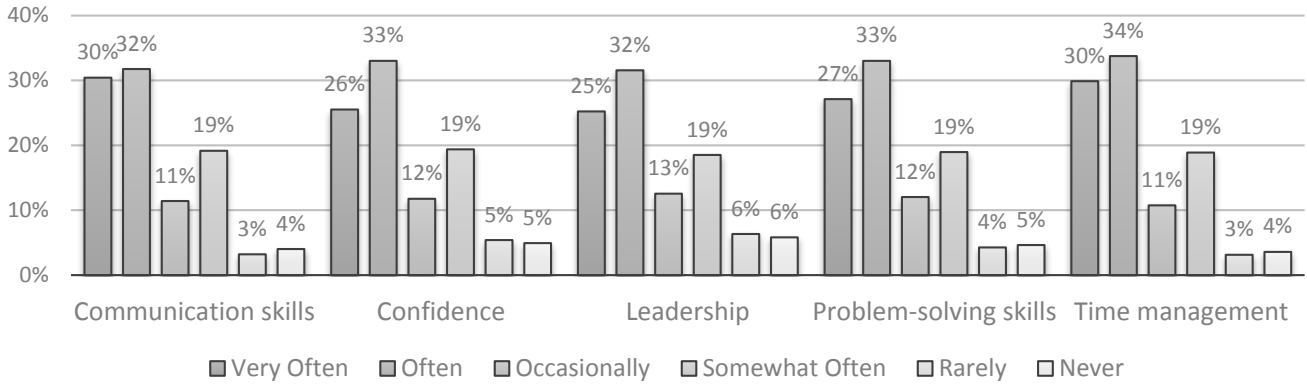
Average Hours per week spent working off campus

UI	19.5
CIC	18
Other	17.4

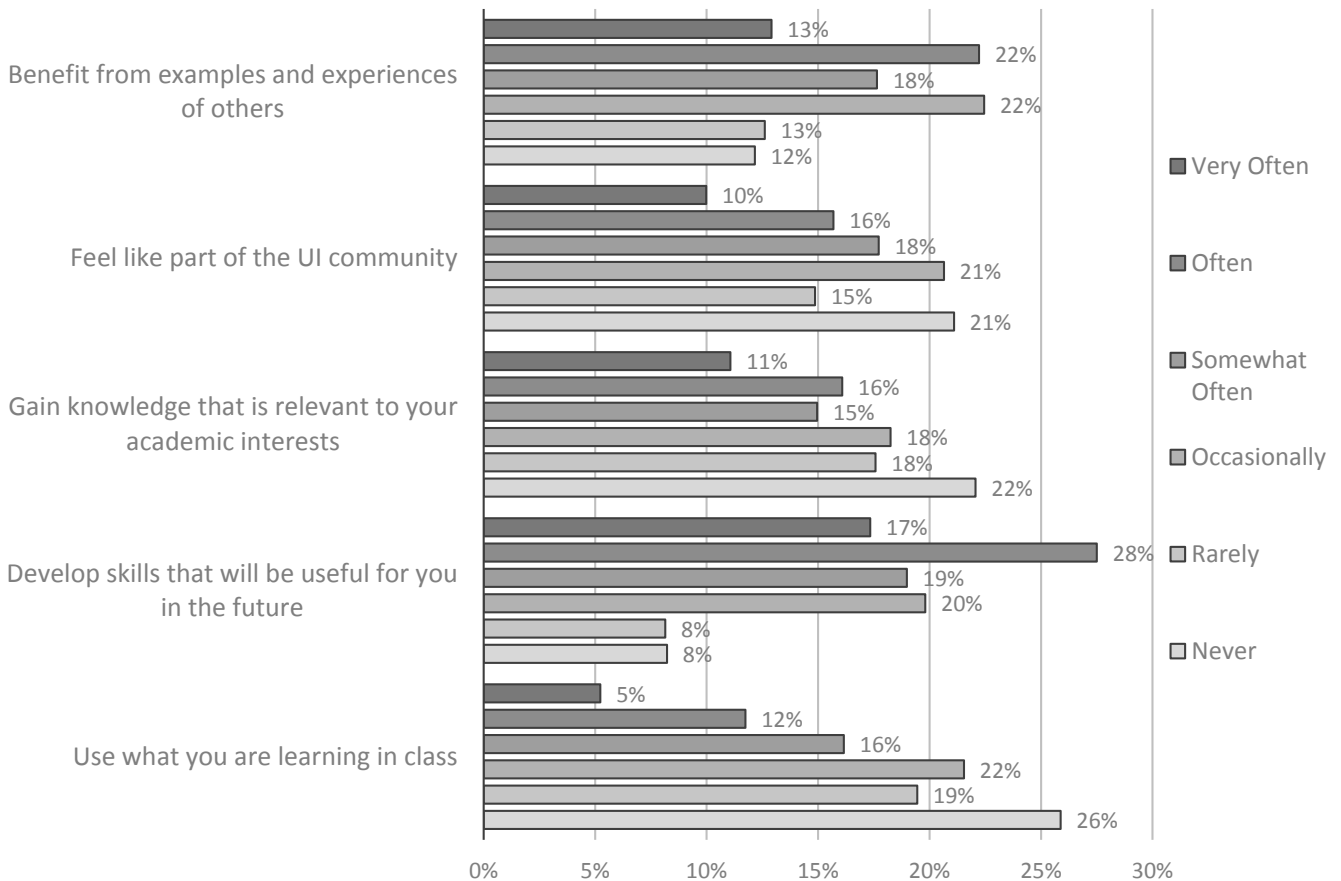
THE EFFECT OF WORKING

When asked about their perception of working while being an undergraduate, most UI students reported increased development in what can be described as “soft skill sets”. When asked about how work affected their academic activities they indicated that work (in general) neither helped nor hindered their activities.

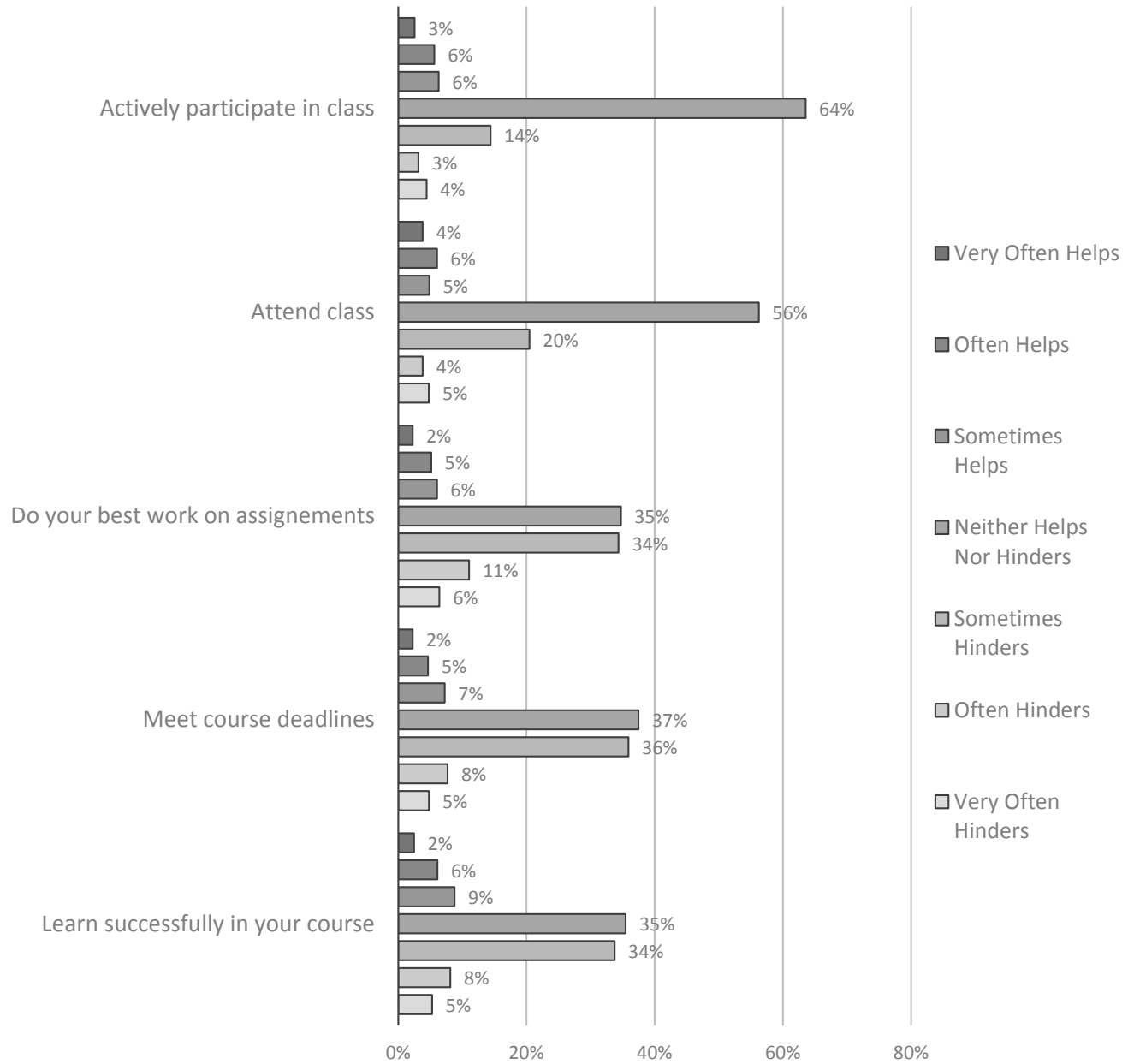
How often has working for pay helped develop your...



How often has working for pay helped your...



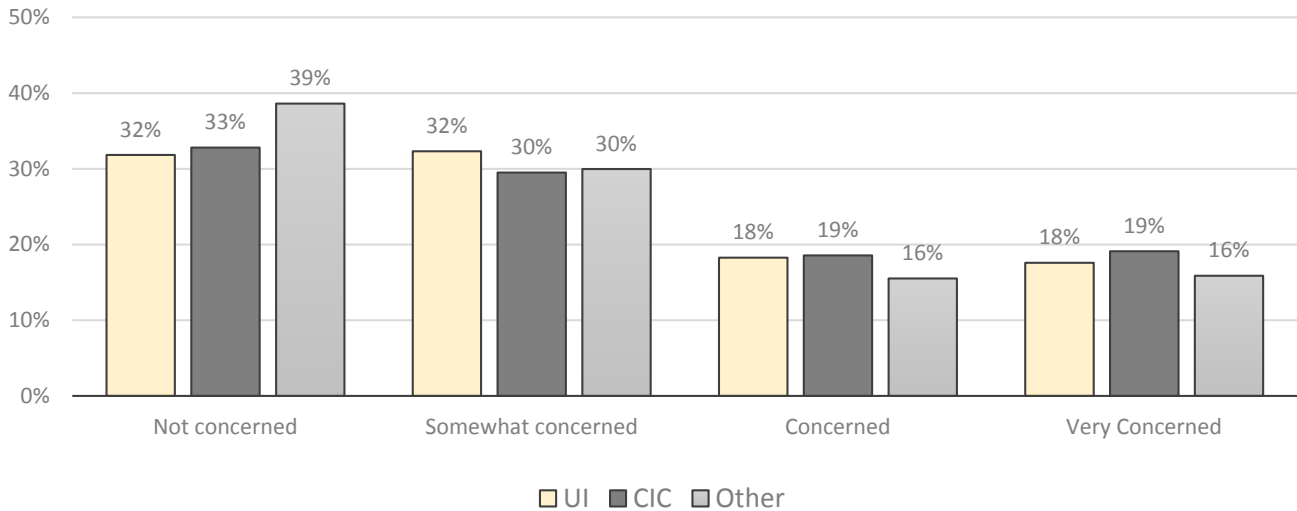
To what extent has working for pay affected your ability to...



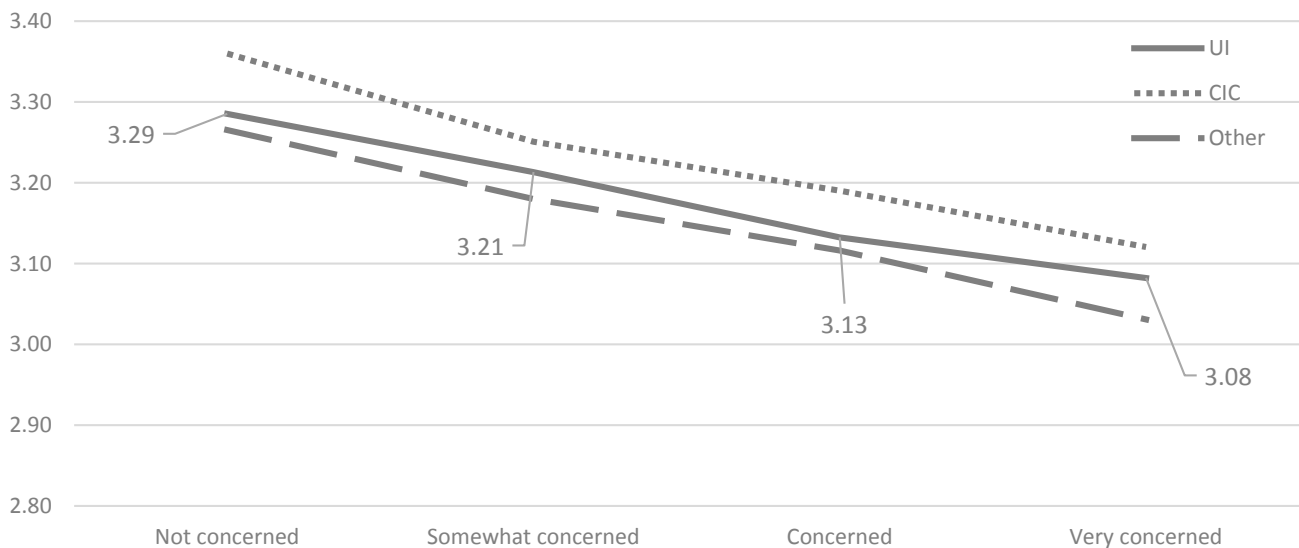
CONCERNS ABOUT FINANCES

Most students report experiencing some level of concern about their financial situation. UI students follow similar patterns to their “CIC” peer group yet report higher levels of concern when compared to the “Other” peer group. We also find that increased levels of concern about paying for education is negatively correlated with GPA. A pattern that is reflected in the benchmarking peer groups as well.

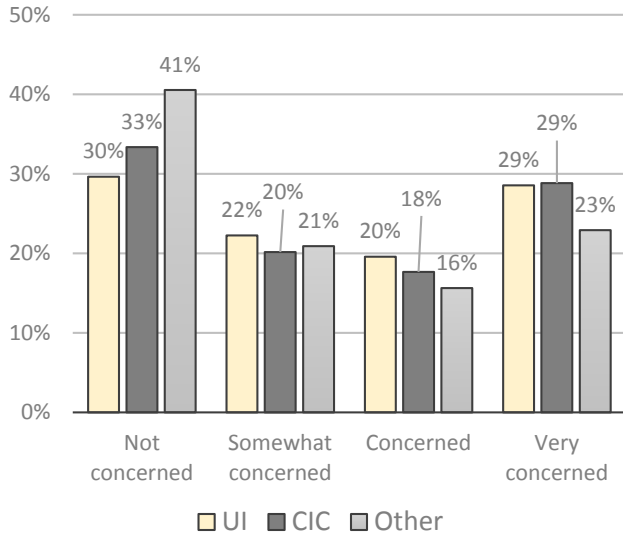
How concerned have you been about paying for your undergraduate education up till now?



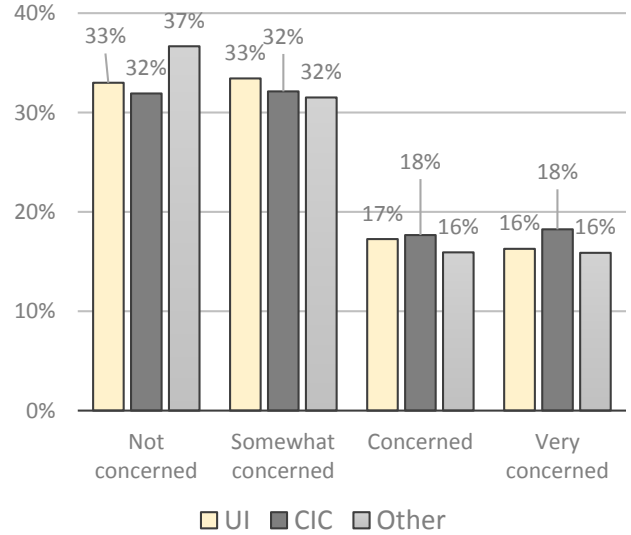
GPA Correlation



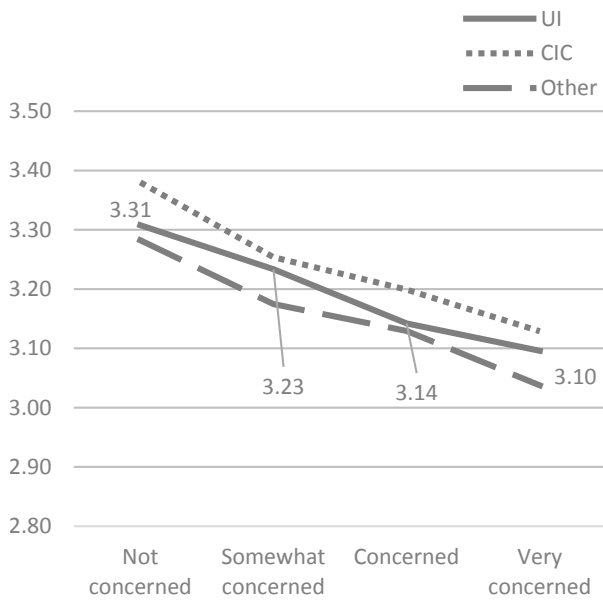
How concerned are you about your accumulated educational debt?



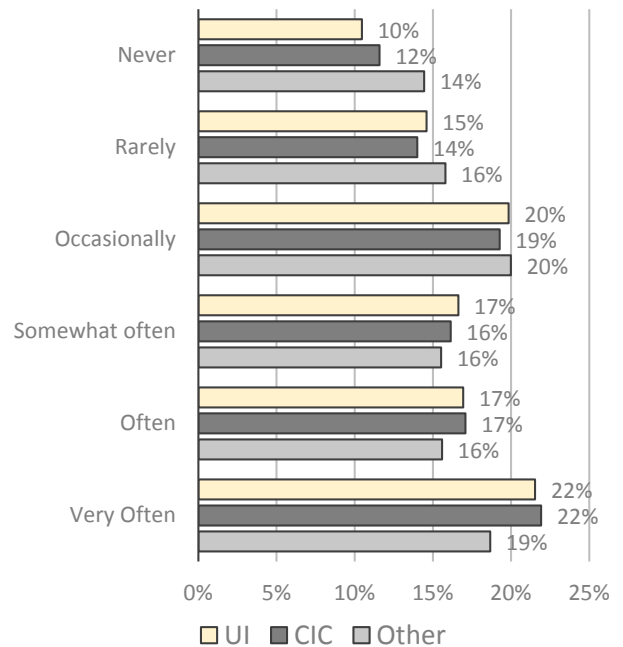
How concerned have you been about paying for your education next year?



How concerned are you about your accumulated educational debt GPA Correlation



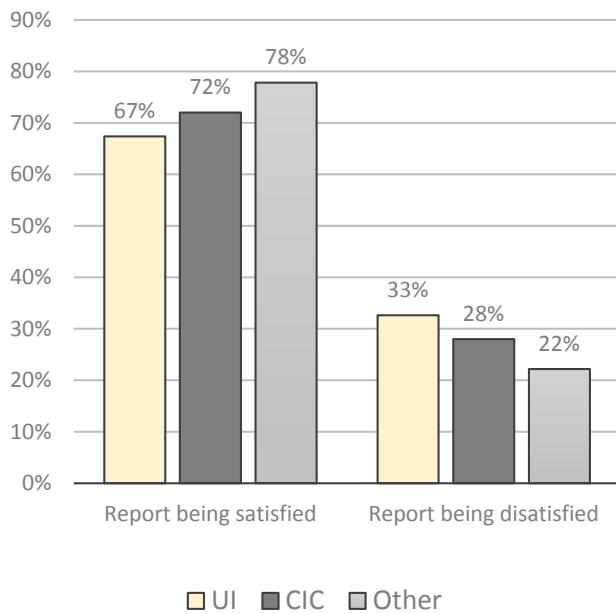
How frequently do you worry about your debt and financial circumstances?



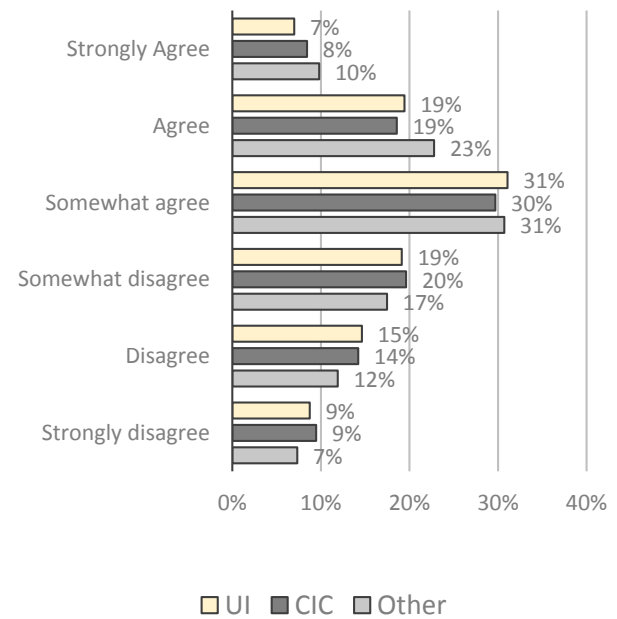
SATISFACTION WITH VALUE AND MANAGEABILITY OF EDUCATIONAL COST

When examining student satisfaction with the value of the education for the price they are paying, we find that most UI students report being satisfied but at lower rates than benchmarked peer groups. 57% of UI students report that the costs of college are manageable which compares similarly to the benchmark groups. When satisfaction and manageability is compared with GPA we find that high levels of dissatisfaction and lower manageability are both negatively correlated with GPA.

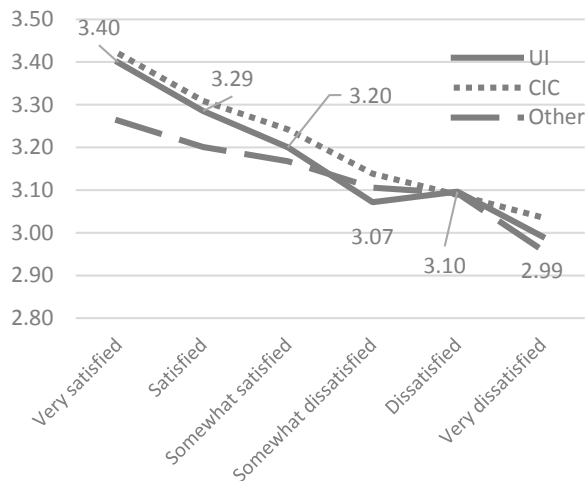
How satisfied are you with the value of education for the price you are paying?



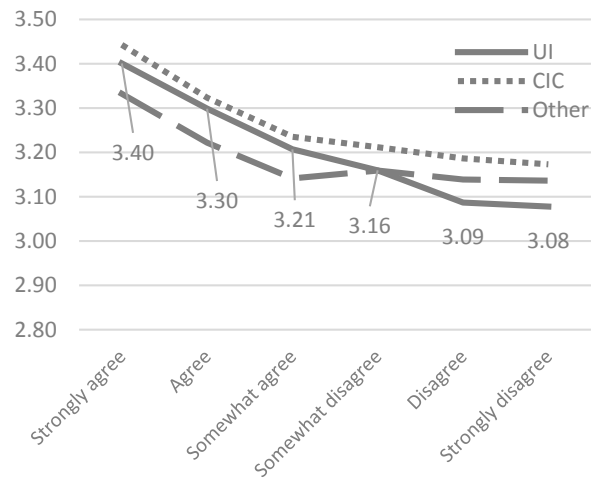
Given the grants and scholarships that you receive is the total cost of attending the University of Iowa is manageable?



GPA Correlation



GPA Correlation

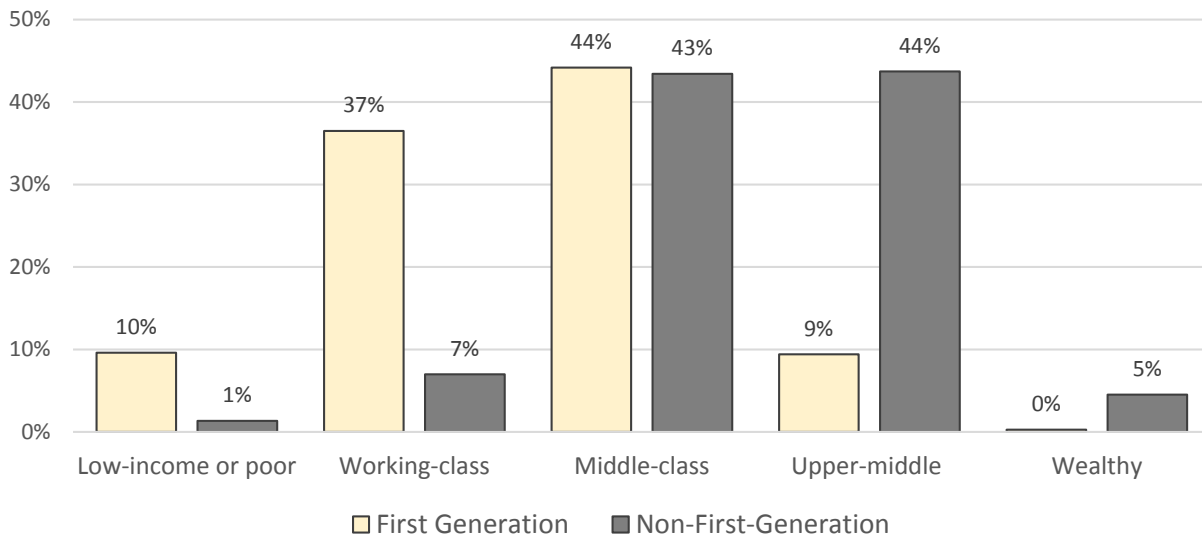


FIRST GENERATION STUDENT FINANCIAL BACKGROUND

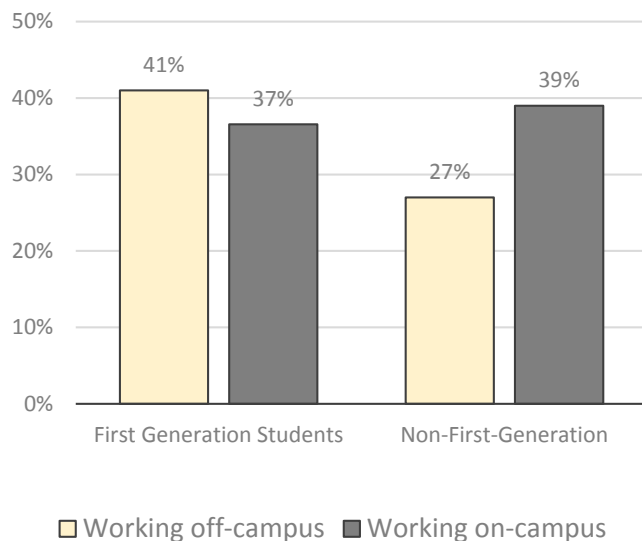
First generation students identified their social status growing up as being much lower than what we find non-first-generation students report. They also report lower parental income and working more often, and for more hours than did non-first-generation students.

NOTE: For the purposes of this report we use the term “non-first-generation” students to describe those students who have one or more parent(s) that have completed a BA or higher degree.

*Which of the following best describes your social class when you were growing up?
(First Generation comparison)*



Reported Working Comparison

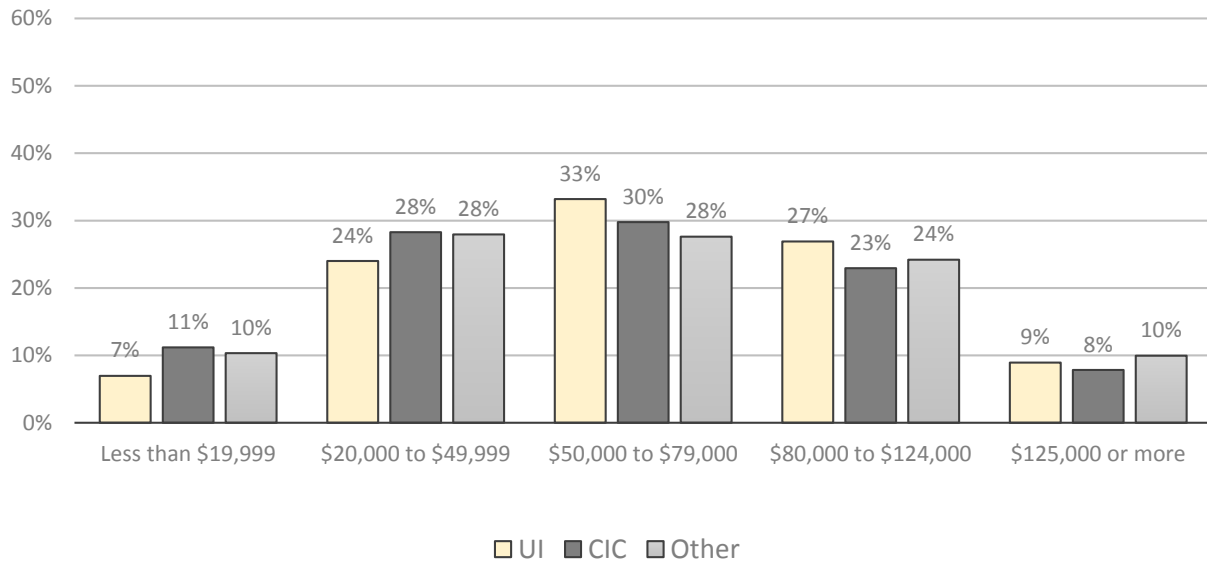


Average Hours First Generation vs Non-First-Generation Students Report Working Weekly

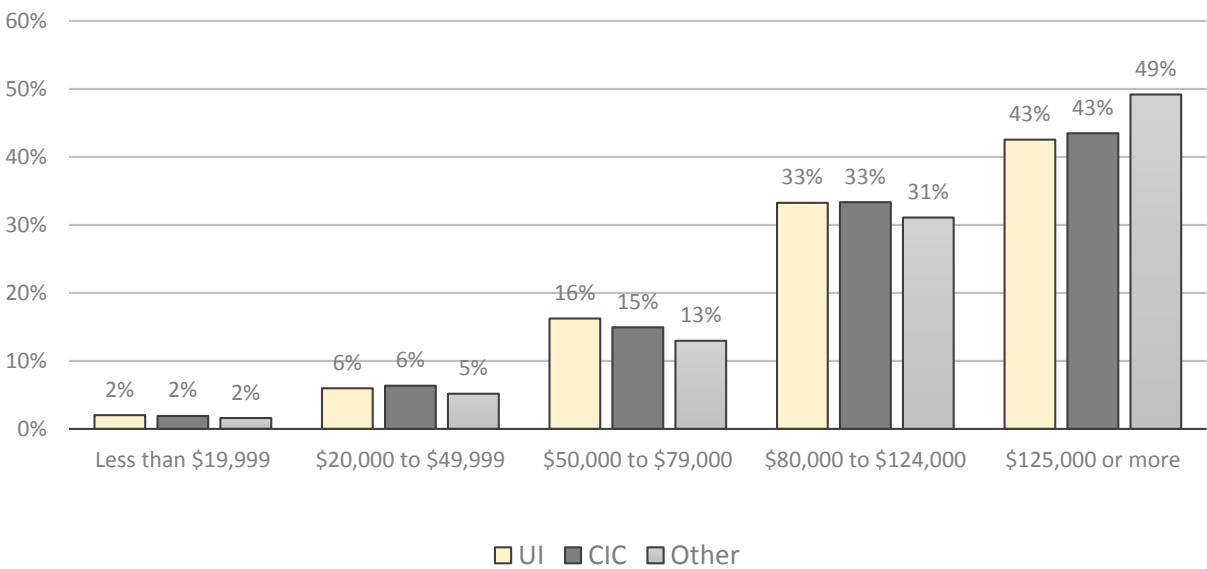
	First Generation Mother	BA or Greater Mother
First Generation Father	12.2	10.2
BA or Greater Father	9.5	7.4

To the best of your knowledge, which category includes the total annual combined income of your parent(s) before taxes in 2013?

First Generation Students



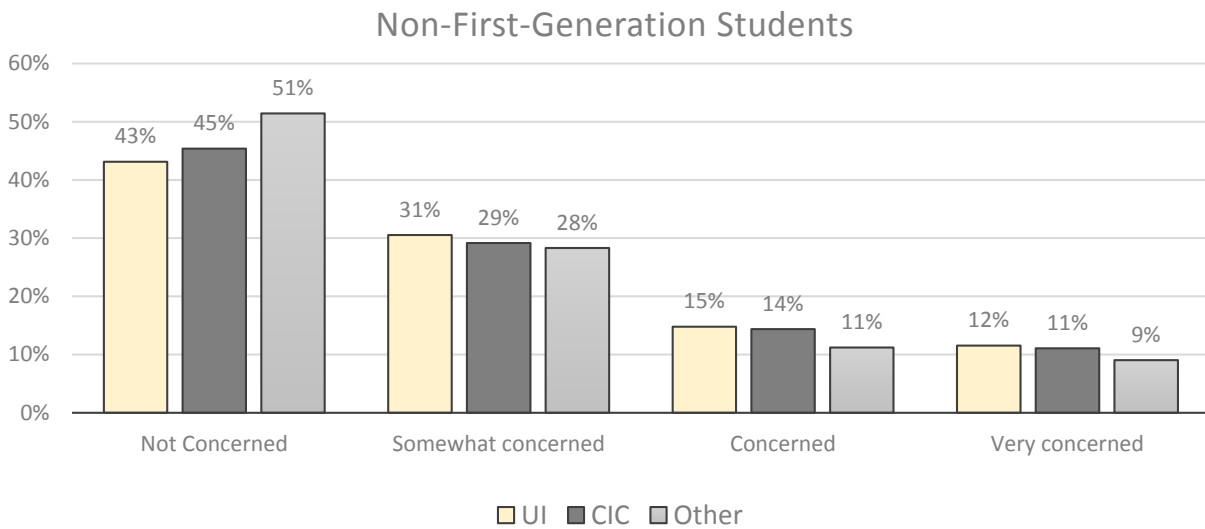
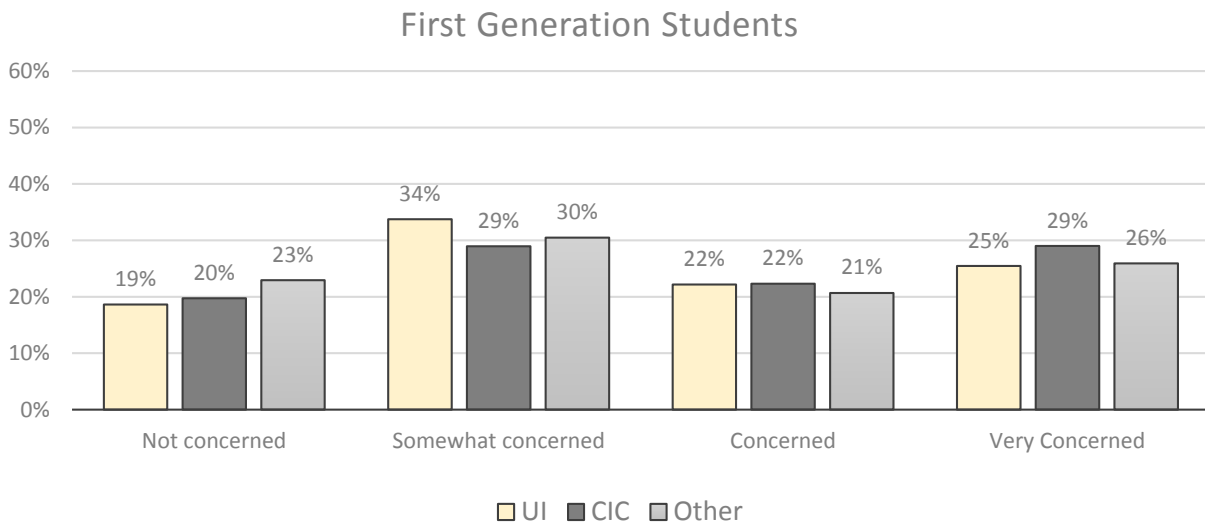
Non-First-Generation Students



FIRST GENERATION CONCERNS ABOUT PAYING FOR COLLEGE

First generation student concern about paying for their education (up till now) is distributed more evenly than non-first-generation students. When examined further, non-first-generation students are much more likely to report significantly lower levels of concerns about finances when compared to first generation students. This trend is also reflected in the benchmark comparison groups.

How concerned have you been about paying for your undergraduate education up till now?

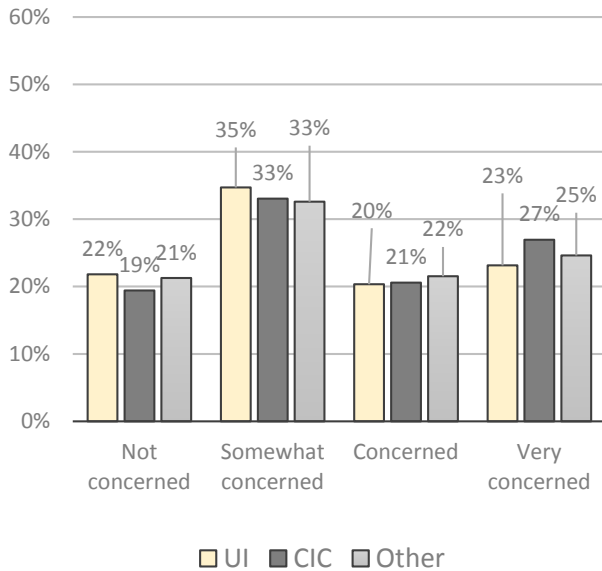


FIRST GENERATION CONCERN ABOUT DEBT

First generation report significantly higher levels of concern about paying for their education (in the future) than non-first-generation students. First generation students also report significantly higher levels of concern about accumulated debt. Both trends are reflective of or benchmark peer groups.

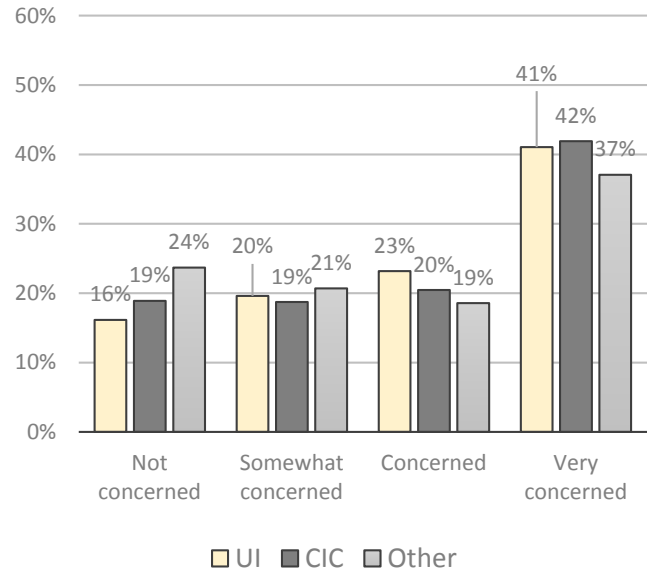
How concerned are you about paying for your education next year?

First Generation Students

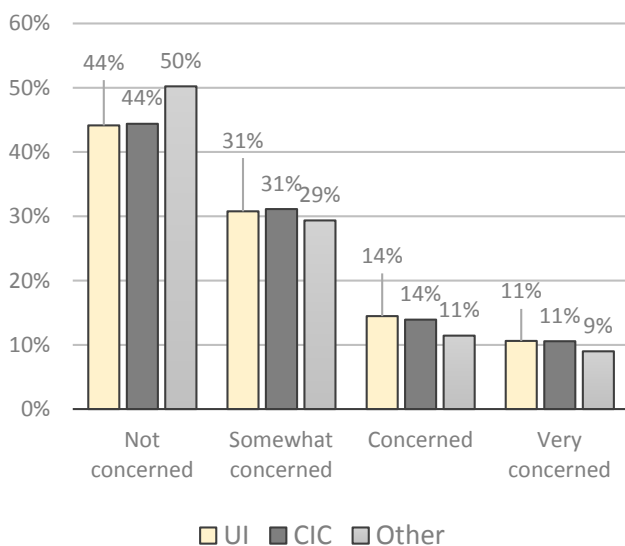


How concerned are you about your accumulated educational debt?

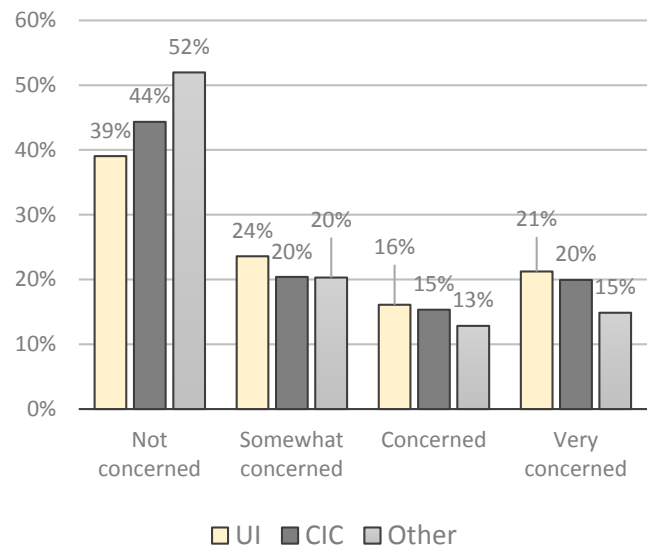
First Generation Students



Non-First-Generation Students



Non-First-Generation Students

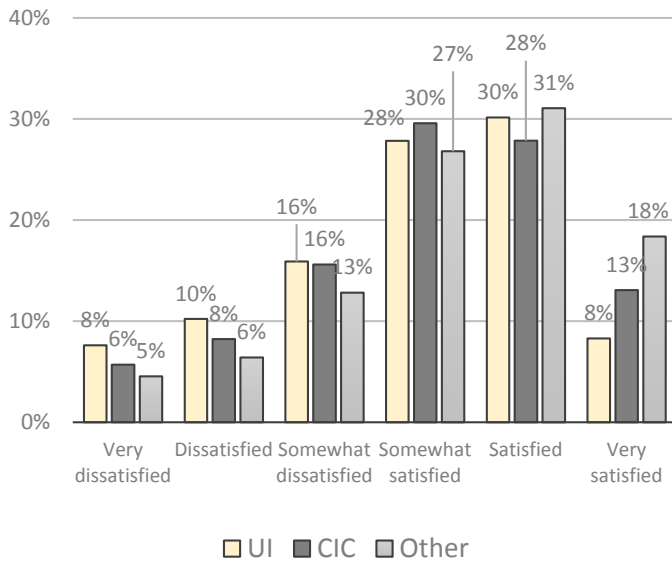


FIRST GENERATION SATISFACTION WITH VALUE AND MANAGEABILITY OF COST

While first generation students report higher levels of working and have higher levels of concern regarding their financial positions they do compare similarly to non-first-generation students when asked about levels of satisfaction with the value of their education and manageability of those costs associated.

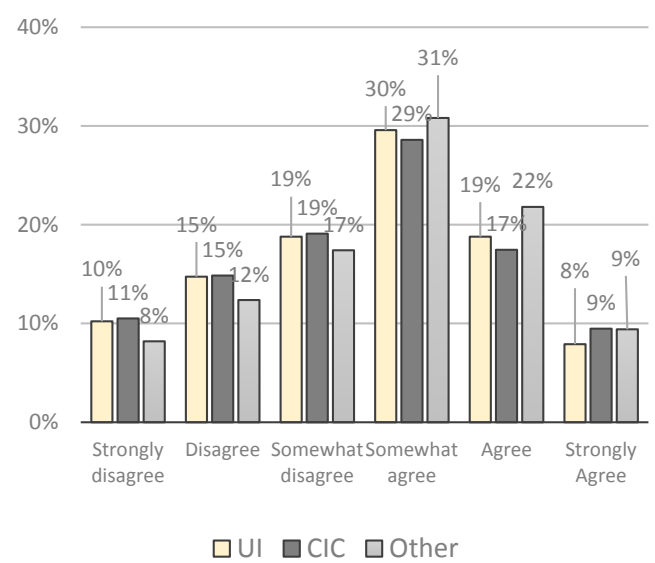
How satisfied are you with the value of your education for the price you are paying?

First Generation Students

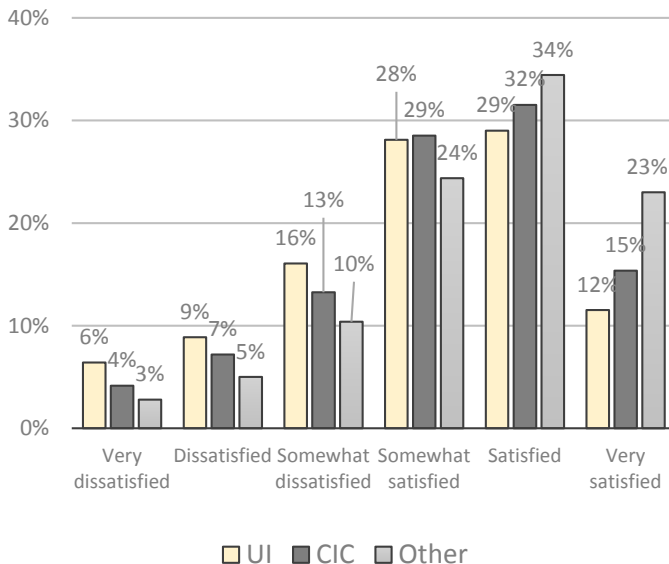


Given the grants and scholarships that you receive is the total cost of attending the University of Iowa manageable?

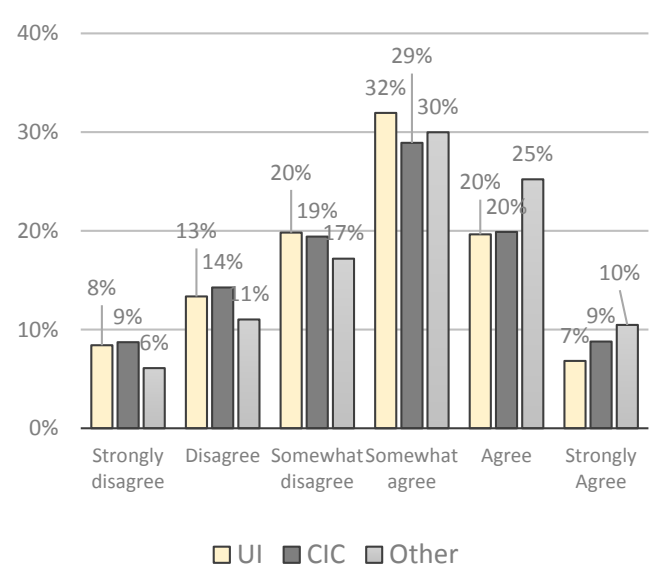
First Generation Students



Non-First-Generation Students



Non-First-Generation Students



A NOTE ABOUT THE INFORMATION CONTAINED IN THIS REPORT

The figures and charts contained in this report were selected from the 2014 SERU survey. Below is a table that details the response counts by question. Please note that no effort was made to weight the questions. All questions used in this report can be manipulated using a variety of demographics as well as responses from other questions contained within the SERU survey for the purposes of reviewing the information from another perspective. Please contact the Office of Assessment if you have any questions or would like to review these or any other SERU question in more depth.

SERU 2014 Response Count by Question				
Question		Iowa (n)	CIC (n)	Other (n)
Q1	Which of the following best describes your social class when growing up?	4313	23197	28930
Q2	To the best of your knowledge, which category includes the total annual combined income of your parent(s) before taxes in 2013?	3474	19280	24681
Q3	Please rank the following sources of money in terms of their importance in paying for you college expenses at Iowa.	1934	-	-
Q4	How many hours do you spend in a typical week (7 days) working?	3258	16590	16289
Q5	How often has working for pay helped develop your...	1342	-	-
Q6	How often has working for pay helped you...	1339	-	-
Q7	To what extent has working for pay affected your ability to...	1343	-	-
Q8	How concerned have you been about paying for your undergraduate education up till now?	4342	23373	29148
Q9	How concerned are you about your accumulated educational debt?	4344	23405	29162
Q10	How concerned have you been about paying for your education next year?	3394	17931	22378
Q11	How frequently do you worry about your debt and financial circumstances?	4323	23237	28972
Q12	How satisfied are you with the value of education for the price you are paying?	4362	23741	27879
Q13	Given the grants and scholarships that you receive is the total cost of attending the University of Iowa is manageable?	4202	22757	26811

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<http://www.uiowa.edu/assessment/>