

## College Student Persistence to Degree: The Burden of Debt

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### **Abstract:**

Costs associated with obtaining a college degree continue to rise (College Board, 2009), an issue that is increasingly salient given that more and more of the assistance available to students from lower and middle income families is provided in the form of student loans rather than grants (Baum, 2003). As college becomes increasingly costly, it is important to consider the impact of increasing student loan debt, in combination with other expenses associated with degree obtainment, on student persistence to degree and student attitudes.

Data were obtained via online survey from two major universities (one in the Southeast and one in the Midwest). Each respondent completed an 83-question survey covering a variety of demographic and personal financial issues. Four separate dependent variables were analyzed (using logistic regression) dealing with a variety of persistence behavior and attitudes. The first dependent variable utilized is whether or not students report difficulty in completing a degree due to the emotional burden associated with their financial aid debt. The second dependent variable for analysis is the likelihood that consumer debt will make it difficult to complete a college degree. The third dependent variable for analysis regards whether students reported reducing their credit hours for a variety of financial reasons. The fourth dependent variable for

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analysis was based on students' response to the question of whether they have ever dropped out of college for financial reasons.

The present study builds on the Interactionist model popularized by Tinto (1975; 1993), with an emphasis on personal financial factors. Controlling for demographic characteristics, as well as a number of key student factors, student loan debt, credit card use behavior, and the presence of other debts had a significant impact on whether students reported ever reducing credit hours for financial reasons, whether students ever dropped out for financial reasons, and the extent to which students reported difficulty persisting due to the psychological burden of student loan debt and consumer debt. Findings suggest that some persistence issues may be alleviated through targeted education programs, and generates questions regarding impending changes to the consumer credit market, particularly in regards to credit access among college-age Americans.

### **Works Cited:**

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