

# First-Generation Female College Students

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First-Generation Female College Students'  
Financial Literacy: Challenges to Persistence and  
Degree Completion

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Denton, TX  
July 15, 2008

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**Introduction**

- College education in the 21<sup>st</sup> Century
  - Pathway to achieving the American Dream
  - Diversity of collegiate landscape
    - The "new" student
    - Students "expected" to have necessary skills to manage a complex and stressful lifestyle
      - Too short of time
      - Too short of resources
  - Discourse on "access"
    - Increase graduation rates
    - Improve persistence
    - Condense time to complete a degree

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**Problem**

- Considerable efforts to improve financial literacy through education and outreach have been undertaken.
  - 2008 JumpStart Survey of high school students
    - mean score of 48.3% (N = 6,856)
  - 2008 JumpStart Survey of college students
    - mean score of 62.2% (N = 1,030)
- Evidence indicates that the gap between financial knowledge and skills required to manage resources can have a significant impact on persistence and degree completion.

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**Purpose of the Study**

- Identify the financial literacy needs of FGFCs and any related demographic and behavioral characteristics
- Explore the differences in perceived and actual financial literacy needs of FGFCs

**Methodology**

- Phase 1: Quantitative Analysis
  - 2006 JumpStart Survey
  - Online delivery with added demographic and behavioral questions
- Phase 2: Qualitative Analysis
  - Focus Groups

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**Research Questions**

1. How financially literate are FGFCs?
2. What demographic and behavior characteristics of FGFCs are related to financial literacy?
3. What are the differences between perceived and actual financial literacy needs of FGFCs?

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**Review of Literature**

- Identification of FGCS
- Complexity of life roles
- Persistence
  - Overrepresentation of FGCS who leave after their first year
  - Primary focus on campus integration
  - Financial strain impacts persistence
  - Full-time college attendance increases likelihood of degree completion

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- Financial literacy
  - Measurement of financial literacy
    - JumpStart Survey used with high school students
    - JumpStart Survey used with college students (2008)
  - Financial decisions and resource management
    - Full-time attendance has been shown to increase persistence.
  - Work
    - Necessity
    - Lifestyle choices
  - Borrowing and debt
  - Need for financial literacy

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Questions?

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**Methodology/Results**

- Phase 1 – Online (Quantitative)
  - 204 female FGCS from one North Texas University
  - Research questions 1 and 2
  - 3 significant predictors of high JumpStart scores (step-wise regression analysis)
    - Being an older student
    - Being Caucasian or White
    - Having a high student classification

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↪ Significance found

- JumpStart scores and age
- JumpStart scores and household income
- JumpStart scores and credit card access
- JumpStart scores and marital status
- JumpStart scores and ethnicity
- JumpStart scores and student classification

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↪ No significance found

- JumpStart scores and financial aid utilization
- JumpStart scores and where learned about money and personal finance
- JumpStart scores and confidence level in personal finance management
- JumpStart scores and previous financial literacy education

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↪ Phase 2 – Focus Groups (Qualitative)

- 4 focus groups (39 participants)
- Research question 3
- Five themes
  1. Not knowing vs. not wanting to know
  2. The graduation cure
  3. Institution as the problem
    - a. Financial Aid
  4. Money as a continual constraint
  5. Work complications
  6. Personal financial management

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- ➔ Differences between perceived and actual financial literacy needs
  - Not knowing vs. not wanting to know
  - The graduation cure
- ➔ Perceptions of barriers to persistence and degree completion
  - Institution as the problem
    - Financial aid
  - Money as a continual constraint
  - Work complications
- ➔ Skills and current resources used to facilitate persistence and degree completion
  - Personal financial management

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**Discussion**

- ➔ Measurement: Similarities and differences
  - Participant perception of needs
  - Previous educational efforts
  - Student classification
- ➔ Barriers to persistence and degree completion
  - Financial aid
  - Money as a continual constraint
  - Work complications
  - Personal financial management

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**Implications/Recommendations**

- ➔ Reduction of financial strain
- ➔ Equality of success through efforts that embrace all students
- ➔ The gap between White students and students of color
- ➔ Required financial literacy education
  - Piggy-backed on financial aid
    - Ongoing
    - Relative
    - Supportive
- ➔ Thinking beyond traditional approaches to persistence and degree completion
  - Implementation of campus programs and support that meet the needs of all students

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Questions?

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FIRST-GENERATION FEMALE COLLEGE STUDENTS' FINANCIAL LITERACY:  
CHALLENGES TO PERSISTENCE AND DEGREE COMPLETION REVIEW

Susan J. Eitel and Jennifer Martin

Selected Statistical Data

as presented on the July 15, 2008 Webcast  
of the NSLP Financial Literacy Symposium



*Demographic and Behavioral Characteristics of Sample*

Variable	Frequency	Percent
<u>Student Classification</u> ( <i>n</i> = 202)		
Freshman	72	35.6
Sophomore	41	20.3
Junior	45	22.3
Senior	44	21.8
<u>Marital Status</u> ( <i>n</i> = 201)		
Single (never married)	147	73.1
Cohabiting	12	5.9
Married	32	15.9
Divorced	10	4.9
<u>Ethnicity</u> ( <i>n</i> = 202)		
White or Caucasian	104	51.5
Black or African American	43	21.3
Hispanic American	39	19.3
Asian American	9	4.5
Other	7	3.5
<u>International Student</u> ( <i>n</i> = 202)		
Yes	3	1.5
No	199	98.5

*Demographic and Behavioral Characteristics of Sample (continued)*

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Variable	Frequency	Percent
<u>Current Living Arrangements (n = 203)</u>		
With parents	22	10.8
On campus	95	46.6
Off campus independent	86	42.2
<u>Number of Hours Employed Weekly (n = 203)</u>		
Work 32 hours or more	29	14.3
Work 25 to 31 hours	21	10.3
Work 19 to 24 hours	27	13.3
Work 1 to 18 hours	50	24.6
Unemployed	76	37.4
<u>Pay Monthly Car Payment with Own Funds (n = 175)</u>		
No car payment	113	64.6
Pay between \$1 and \$199	8	4.6
Pay between \$200 and \$299	23	13.1
Pay between \$300 and \$399	15	8.6
Pay between \$400 and \$499	11	6.3
Pay more than \$500	5	2.9

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*Reported Barriers to Degree Completion*

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Variable	Frequency	Percent
<u>Potential Barriers to Undergraduate Degree Completion</u> ( $n = 204$ )*		
Money	106	52.0
Insufficient financial aid	90	44.1
Lack of financial resources	80	39.2
Debt – need to work more hours because of bills	61	29.9

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*JumpStart Scores and Total Household Income Groups*

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Group	$n$	$M$	$SD$
No income	9	40.37	13.89
Under \$10,921	5	55.33	12.82
\$10,922 - \$24,999	11	59.49	15.96
\$25,000 - \$39,999	12	64.17	10.65
\$40,000 - \$59,999	7	71.20	9.16
\$60,000 - \$74,999	11	70.61	10.31
\$75,000 or more	9	67.78	9.43
Total	64*	61.71	15.19

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$F(6,63) = 7.19, p < .001$

*JumpStart Scores and Ethnicity*

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Group	<i>n</i>	<i>M</i>	<i>SD</i>
White or Caucasian	104	63.30	12.13
Black or African American	43	49.87	15.04
Hispanic American	39	54.62	13.70
Asian American	9	52.60	16.23
Other	7	58.10	13.72
Total	202	58.11	14.37

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$F(4,197) = 9.10, p < .001$

*JumpStart Scores and Student Classification*

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Group	<i>n</i>	<i>M</i>	<i>SD</i>
Freshman	72	50.84	14.37
Sophomore	41	57.02	12.42
Junior	45	62.74	12.52
Senior	44	66.28	11.82
Total	202	58.12	14.37

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$F(3,198) = 15.16, p < .001$

*JumpStart Scores and Financial Aid Utilization and Type*

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Group	<i>n</i> *	<i>M</i>	<i>t</i>	<i>df</i>	<i>Sig. (p)</i>
Grants	111	56.81	1.42	200	.08
Scholarships	81	57.00	.89	200	.19
Student loans (parents)	21	54.63	1.17	200	.12
Student loans (self)	135	59.12	-4.42	200	.08
No financial aid	23	61.96	-1.37	200	.09

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*JumpStart Scores and Confidence Level in Managing Finances*

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Group	<i>n</i>	<i>M</i>	<i>SD</i>
Very unconfident	15	53.56	15.66
Unconfident	27	55.08	14.66
Somewhat confident	85	58.75	14.30
Confident	61	59.60	14.26
Very Confident	14	58.45	13.50
Total	202	58.11	14.37

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$F(4,197) = .882, p = .48$

### *Regression Analysis*

A step-wise regression analysis was performed to explore the relationship of Jump\$start scores to the following 20 variables: (a) age, (b) cumulative grade point average, (c) personal income, (d) household income, (e) access to credit cards and type of credit card access, (f) number of credit cards, (g) unpaid credit card balance, (h) parental and family education levels, (i) marital status, (j) student classification, (k) ethnicity, (l) credit hour enrollment, (m) ATM/Debit card use, (n) ownership and type of ownership of stocks and mutual funds, (o) financial aid use and type, (p) source of learning about money and personal finance, (q) spending and saving habits, (r) confidence level in management of personal finances, (s) participation in personal finance or financial planning in high school, and (t) participation in personal finance or financial planning in college. The step-wise regression analysis found that being older, being Caucasian, and having a high student classification were significant predictors of high Jump\$start scores for these research participants.

### *Multiple Correlation of Jump\$start Scores with Age, Ethnicity, and Student Classification*

Variable	B	SE B	Beta	<i>t</i>	<i>p</i>
Age	.441	.142	.272	3.103	.002
Caucasion	7.789	2.216	.272	3.515	.001
Student Classification	2.868	1.079	.234	2.659	.009
(Constant)	36.830	3.260		11.297	.000

$R = .57, R^2 = .32, \text{Adj-}R^2 = .31, SE = 11.98,$

$F(3,120) = 19.02, p = .001$