

AMERICAN HIGHER EDUCATION, HIGH TUITION, AND HIGH STUDENT  
LOANS: THE DEBT IMPLICATIONS FOR STUDENTS  
DURING AND AFTER COLLEGE  
CASE STUDIES AT THE UNIVERSITY OF HAWAI'I

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## Dedication

*“When he has passed the test, he will receive the victor’s crown of life.” (James 1:12)*

I dedicate this dissertation to my family—to my mom—Shirley, my sisters—Cindy, Teri, and May, my brother—Joshua, my brother-in-laws—Felex and Johnson, my only nephew—Gabriel, and my significant other—Steven.

To my mom, you love me unconditionally. I sincerely appreciate your daily prayers for all of us—that’s the best support that we need as your grown up children. May God continue to bless you with happiness and health for many years to come! To my sister Cindy, you were one of the first to be excited about my pursuit of a doctoral degree; I wish you have all the success in your academic and professional endeavors. To my sister Teri, you are the generous giver and loving member of the family—you really have a beautiful heart. But, most of all, I admire you as the faithful servant to God. To my sister May, you have been my sounding board and my witty advisor; you have showed me what sisterhood is all about. To my brother, Joshua, I have adored you from the day you were born. Your love to mom and the family are obvious, may God continue to guide and bless you every step of your life. To my brother-in-law Felex, you are one of the most hardworking and frugal persons in the family; your unconditional love to Cindy and Gabriel is admirable. To my brother-in-law Johnson, you always provide the best financial advice to the family and have been taking great care of my sister Teri, which I am very grateful. To my nephew Gabriel, I wish you the happiest, healthiest, and the most productive life as a young teenager. This doctoral journey has been one of the most challenging and rewarding experiences that I ever had in life. I most certainly could not have gotten here without your encouragement and love. I am proud to call each one of

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## Abstract

The purpose of this study was intended to examine the inner voices behind the students' choices of American higher education and their persistence in college in relation to financial factors, especially the student financial aid programs and their debt burdens during and after college. Case studies were used to answer the three research questions: 1) What are students' perceptions on the affordability of American higher education in the 21<sup>st</sup> century (2000–present)? To what extent are students and their families relying on loans to gain access to higher education? 2) What are the debt implications for students and their families during and after college? And 3) How do educational attainment and wages affect students' personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way? The findings of this study revealed that American higher education is costly in the 21<sup>st</sup> century. Cost was a primary factor of students' college going decision. The majority of students had to rely on financial aid, loans in particular, to gain access to and persistence in colleges. Moreover, students must have satisfied their basic needs, e.g., food, shelter, transportation, etc., in order to seek education, otherwise, they would not have been able to pursue, attend, nor persist in college. Furthermore, students believed that higher education does provide higher personal satisfaction, but does not necessarily guarantee higher earning because of differences in their program of study and other uncontrollable variables such as economy. Moreover, the study results indicated that there was a lack of in-depth personal financial counseling prior, during, and after college for students. During college, students generally could manage the debt burden as long as financial aid continued to be available for them, but not after college. Students reported heavy debt

burdens after college. The results from this study can be used to inform public of the severe impact of high costs and high loan debt to students' well-being; and to encourage the establishment of new policies and programs to refine student financial aid assistance programs.

*Keywords:* loans, financial aid, debts, access, persistence, cost, affordability

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## CHAPTER I

### INTRODUCTION

#### **Background**

The demand for American higher education gained momentum after World War II when the G.I. Bill of Rights was signed into law in June 1944. Also known as the Serviceman's Readjustment Act, the bill offered an American college scholarship to all those who had served in the military. This benefit opened the doors and opportunities of elite academies to the masses. In 1947, U.S. veterans made up almost half the nation's college students. The GI Bill also offered low-interest, no-money down mortgages backed by the U.S. government that allowed millions of families to purchase their first homes. The generous offer energized the postwar baby boom and the suburbanization of America in the 1950s and it effectively created the American middle class. ("A Brief History Of: The GI Bill," 2008, May 29). "By 1956, 7.8 million of the 16 million World War II veterans had participated in an education or training program" ("The GI Bill's History," 2011).

During the 1960s and 1970s, both state and federal governments took steps to ensure that a postsecondary education was available to all Americans regardless of socio-economic background. It was then that a broad network of open-enrollment community colleges was established through the states, and the federal government established a set of student aid programs that targeted needy students. Although the demand for higher education remains strong in American life in the 21<sup>st</sup> century, concerns about the future affordability of college and the effectiveness of governmental efforts to broaden postsecondary opportunity have become a social issue. The concerns came from a decade

of rapid tuition increases in both public and private higher education due to America's economic downturn, which caused students and their families to worry about whether they will ever see affordable higher education.

Most people agree that the central purpose of student aid is to encourage people, especially those from low-income families and the military, to attend college. There is much less agreement on how well existing student aid programs have accomplished this end. These days, the reality of high-tuition and high loan aid in American higher education raises serious issues for students, and it carries huge implications for this generation of college graduates and their families. At President Obama's first inauguration address, a part of his speech stated:

Our economy is badly weakened, a consequence of greed and irresponsibility on the part of some, but also our collective failure to make hard choices and prepare the nation for a new age. Homes have been lost, jobs shed, business shuttered. Our health care is too costly, our schools fail too many...these are the indicators of crisis, subject to data and statistics. Less measurable, but no less profound, is a snapping of confidence across our land; a nagging fear that America's decline is inevitable, that the next generation must lower its sights. Today I say to you that the challenges we face are real. They are serious and they are many. They will not be met easily or in a short span of time. But know this America: They will be met.

(The 44<sup>th</sup> U.S. President Obama, 2009, January 20)

“We will provide the support necessary for you to complete college and meet a new goal: by 2020, America will once again have the highest proportion of college graduates in the world” (The 44<sup>th</sup> U.S. President Obama, 2009, February 24). How do we interpret

President Obama's statements? Are our schools failing too many? Is America's decline inevitable? Are the challenges we face real and are they serious and are there too many of them? What exactly is the necessary support in order to complete college, and whom should we be supporting? How can we prepare our nation to have the highest proportion of college graduates in the world by 2020? These are serious American economic questions that we all have to address.

“Race To The Top (RTTT)” is one of the latest Federal educational programs and reforms created by the Obama administration via the \$787 billion U.S. Economic Revitalization Stimulus Plan to improve K–12 public education in America. It is obvious that revamping American education is on the U.S. federal and state radar. In 2011, there were approximately 24 million higher education students who attended a vast collection of institutions that differed by cost, selectivity, social prestige, and programs of study. Enrollment in degree-granting postsecondary institutions increased by 38 percent between 1999 and 2009, from 14.8 million to 20.4 million. Much of the growth was in full-time enrollment; the number of full-time students rose 45%, while the number of part-time students rose 28% (National Center for Education Statistics, 2011). As the number of individuals entering the higher education system has increased, so too has the socioeconomic and demographic diversity of the college going population (Baker & Velez, 1996; Goldrick-Rab, 2006). Research has shown that factors such as students' perception of quality, amounts of aid and net cost, as well as college courtship procedures may make a difference between a first and second choice institution (Hossier & Gallagher, 1987). Cost is an important factor of going to and staying in college.

### **Statement of the Problem**

While the cost of attending college has continued to rise over the last decade, the increasing trend of reliance on federal and private loans to pay for higher education is particularly noticeable. Considering that the central objective of financial aid is to provide equal opportunity to students, it is crucial to examine if loans actually do promote educational opportunity, not just measured in terms of access (getting students in the college door), but in terms of success (completing a degree and having financial stability in life). In the American society, education is supposed to provide social, economic, and psychological growth and wellness to individuals; if we are pricing out students, we are failing students and society. “Student loans have become the most profitable, uncompetitive and oppressive type of debt in our nation’s history. Five million federal student loans are currently in default, which adds up to about \$38 billion in bad debt” (“Heroes And Zeros,” 2008, December 12). Aristotle described “education” as the best provision for old age. For individual citizens, education should provide a basis for economic security that can last into retirement. For society as a whole, education should build the foundation for ensuring economic prosperity now and in the future. With such huge debts weighing on American students’ shoulders, what are the implications for America?

### **Significance of the Study**

How is America keeping up with the educational promise that was initiated in the era of GI Bill and flourished through the 60s? Education in society is supposed to be promoting social justice and be the great equalizer. It is supposed to be an investment in human capital. But when the cost of education becomes more of a burden than a benefit

during and after college, it becomes a social problem. Increases in tuition at both public and private four-year institutions have exceeded the rate of inflation in every year from 1980 to the present (The College Board, 1997; Lewis, 1989). Federal need-based grant aid has declined substantially since 1980 (The College Board, 2000; St. John, 1994). College costs have risen faster than federal student aid since that time (The College Board, 2000). Over the decade from 2001 to 2011, published tuition and fees at public four-year colleges and universities increased at an average rate of 5.6% per year beyond the rate of general inflation. Following the trend, private nonprofit four-year institutions also increased their average tuition and fees from 22% to 28% over the decade (The College Board, 2010).

Loans represent 49% of the aid available to undergraduates and grants just 46 percent. The volume of both federal and private loans used for financing college has grown faster over the last decade than spending on federal, state, or institutional grants (The College Board, 2007). Lauren Asher, who directs the non-profit *Project on Student Debt*, reported,

The need to borrow has grown for all types of students at all types of schools. The amounts that students are borrowing are driven by the shared of cost when students and families are expected to cover after aid. Now these costs have risen faster than family incomes, faster than available grant aid. Two-thirds of American college students will graduate with a sizeable debt; for the class of 2009, the average debt was \$24,000. (as cited in Cohn, 2010, December 21)

“America's student debt at the end of 2010 is nearly \$880 billion. Student loan defaults doubled since 2005, half of those defaults are from the for-profit schools, like the

University of Phoenix which generated \$3,775,491.90 revenue in 2009 and 86% of that revenue came from federal financial aid” (Cohn, 2010, December 21). Further, 66% of bachelor’s degree recipients graduated with debt, including 62% who had federal loans and 33% who had borrowed from nonfederal sources in 2007–2008 (The College Board, 2009). A much large fraction of graduates of for-profit institutions relied on private loans. “The student loan debt is growing at a rate of \$2,853 per second. At this pace, it will surpass \$1 trillion in 2012” (Cohn, 2010, December 20). There has been far more attention to the impact of aid on initial access to college than on persistence and success in and after college (The College Board, 2007).

The erosion of federal student aid programs has limited the ability of states to ensure financial access for their citizens. In order for policymakers, as well as students and their families, to make informed choices regarding the use of loans for financing higher education, more information is needed regarding their effectiveness in promoting college access, choice, persistence, and degree attainment. In addition, more studies are needed on how incurring student loans affects students during their time in college and after they graduate from college. In general, the purpose of this study is to create greater awareness of some of the implications of the current financial aid programs and to encourage new policy formation for affordable higher education.

### **Purpose of the Study**

The significant benefits for adults who possess a postsecondary education have been well documented in the past century. According to the National Center for Educational Statistics (NCES), young adults with at least a bachelor’s degree earn significantly more and have more social benefits than those with less education (Planty et

al., 2007). Aside from the individual benefits, higher education has been identified as an increasingly essential component of America's economic and social well-being. Federal and state governments have called for major increases in educational attainment, both to compete with other countries and to decrease the participation and graduation gaps between minority students and their more affluent peers. However, many difficulties and challenges exist for young adults attempting to reach these goals, not only in terms of academic preparation, college readiness, and institutional capacity, but also in finding solutions to overcome the financial barriers created by the rising college prices and stagnating family incomes, which have been exacerbated by the recent sluggish economy.

The purpose of federal financial aid in the form of grants, loans, and work-study programs play a key role in supporting students' access, persistence, and college completion. Due to limited grant and work-study funding and support in recent years, students and their families have increasingly relied on loans to cover the majority of the costs of higher education. Federal student loans are now the single largest source of financial aid available to both undergraduates and graduate students. A substantial number of students depend on loans to finance their postsecondary education—in 2007–2008, 39% of all undergraduates borrowed to help finance their education, up from 34% in 2003–2004 (U.S. Department of Education 2004, 2008). Certain students groups are more likely to borrow than others, for example, students enrolled in higher priced public, private nonprofit, and private for-profit institutions; students attending on a full-time basis; and students with greater financial need (Cunningham & Santiago, 2008).

The rapid tuition increases and expensive fee costs and the trend to heavily rely on loans to gain access to higher education have affected students' choice of institution,

their commitment to persist in college, and their financial well-being after college in the past two decades. The purpose of this study was 1) to look at the trends in American higher education in terms of costs and financial aid assistance, specifically loan programs, and to identify debt implications for students during and after college, 2) to examine which students are borrowing funds in terms of their socio-economic backgrounds, academic abilities, college experiences, and financial circumstances and to explore how financial aid loans play a part in their ability to gain access, to persist in, and to complete college, and 3) to learn whether financial aid borrowers perceive education as a worthwhile investment in relation to their loan/debt situation. In particular, this study intended to hear the inner voices of the students regarding their choices in higher education and their persistence in college in relation to financial factors, especially the student financial aid programs and debt burdens during and after their academic journey. Ultimately, this study will provide the loan bearing students with a voice for their real life stories and hopefully to spread greater awareness so future students and their families can make informed choices regarding the use of loans for financing higher education.

### **Research Questions**

Three research questions addressed in this study and they were:

1. What are students' perceptions on the affordability of American higher education in the 21<sup>st</sup> century (2000–present)? To what extent are students and their families relying on loans to gain access to higher education?
2. What are the debt implications for students and their families during and after college?

3. How do educational attainment and wages affect students' personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?

### **Theoretical Framework**

According to Merriam (2009), theoretical framework is the outermost frame, the body of literature, the disciplinary orientation that we draw upon to situate our study. The framework indicates to the reader the topic we are interested in. "The framework of your study will draw upon the concepts, terms, definitions, models, and theories of a particular literature base and disciplinary orientation. This framework in turn will generate the "problem" of the study, specific research questions, data collection and analysis techniques and how you will interpret your findings" (Merriam, 2009, p. 168). Upon reviewing the student departure and student retention theories, a couple of models stood out in the literature. Tinto (1975) formulated an interactionist theory of college student departure. According to Tinto (1975, p. 104), "structural integration involves the meeting of explicit standards of the college or university, whereas normative integration pertains to an individual's identification with the normative structure of the academic system." Tinto's theory is widely accepted and cited by scholars to study student departure and there are more than 400 citations and 170 dissertations pertinent to his theory (Braxton, Sullivan, & Johnson, 1997). Nevertheless, with the explosive growth in student debt since the 80s, we cannot avoid posing the question: How do prices and student loans influence the ability of students to gain access to and to persist in college? This is an area that Tinto did not address in to his student departure and persistence theory. Hence, this missing puzzle piece has motivated much of the research on the economic aspects of

student persistence over three decades (St. John, 1994). The economic studies examine how financial assistance equalized opportunities to persist in college for those students in need of financial support (St. John et al., 1994; Andrieu & St. John, 1993; Astin 1975; Terkla, 1985). As financial aid is not the only reason students persist in college (Stampen & Cabrera, 1986, 1988), recently researchers have developed more complete models that seek to explain how finances interact with other factors that influence college persistence (Cabrera, Nora, & Castaneda, 1993; St. John, Paulsen, & Starkey, 1996). These recent research efforts are attempts to construct a more comprehensive analysis of the departure puzzle (St. John, Cabrera, Nora, & Asker, 2000). Two distinct lines of inquiry have emerged from those studies: 1) student-institution fit perspective and 2) economic perspective. The student institution fit perspective of persistence focuses on students' academic and social collegiate experience in college (Pascarella & Terenzini, 1991). Economic models focus on financial need, student aid packaging, and the adequacy of aid available for students. In this study, the economic models were used as a framework to learn more about students' perceptions of the affordability of American higher education and the financial factors that influence their choices of access and persistence in college. Moreover, the human capital theory, an economic labor theory which is widely used to explain occupational wage differentials was used as a framework in this study to answer students' well-being after college.

### **Data Sources**

This study used a qualitative approach to answer the research questions. An underlying assumption in this study was that because of the high cost of education, students rely heavily on student loans to gain access to and persistence in college. As a

result, there are debt implications (psychological, financial, emotional, social) for students during and after college. Qualitative research generates data in words rather than statistics and numbers. Data are full of in-depth and rich verbal descriptions of the phenomena. While there are different qualitative techniques that can be used to provide verbal descriptions, the goal of each is to capture the richness and complexity of behavior that occurs in natural settings from the participants' perspectives. Once collected, the data were analyzed inductively to generate findings (McMillan & Schumacher, 1989).

Case studies were used to answer the three research questions. Focus was placed particularly on the second question regarding debt implications for students during and after college. According to Merriam and Associates (2002), a case study is an intensive description and analysis of a phenomenon or social unit such as an individual, group, institution, or community. As a case study is a vehicle for the in-depth description and analysis of a phenomenon, the process of conducting the research will need to be carefully designed and the execution will be a complex, and time-consuming, but rewarding journey. Hence, the target number of participants for this study needed to be manageable for the researcher, but also large enough to harvest a decent sampling that would be statistically significant. Fifteen participants was the original target sample size for this qualitative study. This final participant quantity was unknown at the initial planning stage. The plan was to get ten to twelve participants, but the ultimate goal was to have enough sample stories to find categories, themes, and deep and rich descriptive stories for within-case analysis and the cross-case analysis, and ultimately to answer the research questions. To accomplish this goal, purposeful and snowball sampling was employed in this study. University of Hawai'i's financial aid offices were approached to

discuss logistics to harvest subjects from the target population. A letter detailing the purpose, process, and expectations of the research study was used for recruitment of the participants. Merriam (1998, p. 61) stated that “purposeful sampling is based on the assumption that the investigators wants to discover, understand, and gain insight and therefore must select a sample from which the most can be learned.” Hence, sampling criteria was established to account for variables, e.g., gender, age, major of study, social economical status, highest college attainment, etc. that were most directly linked to the purpose of the study. In addition, a snowball sampling method was employed to yield the target subjects. Snowball sampling is perhaps the most common form of purposeful sampling because the strategy involves asking each participant or group of participants to refer you to other participants (Merriam, 1998, p. 62-3).

### **Definition of Terms**

*Access*—Students receive the support and resources that they need to enroll in college.

*Persistence*—Students receive the support and resources that they need to stay in college.

*Financial Aid Programs*—US federal financial aid programs consist of grants, loans, and work-study program. Grants, unlike loans, do not have to be repaid. Work-study provides part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay for education expenses.

*High Tuition*—Cost of attaining higher education is higher than the general rate of inflation of goods and services.

*Equity*—A criterion for policy evaluation. The effects of a public policy on the fairness of the distribution of benefits and costs in society; that is, whether or not a public policy has generated a more just, fair, or equitable distribution of income and treatment.

*Social Justice*—The application of the concept of justice on a social scale.

*Affordability*—A subjective and personal view. It depends on not only on the out-of-pocket costs, but also on perceptions of the cost of college and on potential earnings both during college years and throughout life.

*Human Capital*—It is embodied in a person and therefore cannot be sold, it cannot be repossessed, and it is highly illiquid asset. The human capital theory suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers' future incomes by increasing their lifetime earnings (Becker, 1994).

*Return on Investment*—The evaluation of increased lifetime earnings for individuals. Education, Aristotle said, is the best provision for old age. For individual citizens, education provides a basis for economic security that can last into retirement. For society as a whole, education builds the foundation for ensuring economic prosperity now and in the future.

*Private Goods*—Defined as benefits that go towards an individual or a private entity or organization.

*Public Goods*—The concept of public goods is central to economic analysis of the role of government in the allocation of resources. Public goods are defined by two characteristics: 1) Non-excludability: It is not possible to exclude non-payers from consuming the good. 2) Non-rivalry in consumption: Additional people consuming the good do not diminish the benefit to others.

## CHAPTER II

### LITERATURE REVIEW

#### **Background**

How do prices and student subsidies influence the ability of students to access and persist in college? This question has motivated much of the research on the economic aspects of persistence over three decades (St. John, 1994). The economic studies examine how financial assistance equalized opportunities to persist in college for those students in need of financial support (St. John et al., 1994; Andrieu & St. John, 1993; Astin 1975; Terkla, 1985). As financial aid is not the only reason students persist in college (Stampen & Cabrera, 1986, 1988), recently researchers have developed more complete models that seek to explain how finances interact with other factors that influence college persistence (Cabrera, Nora, & Castaneda, 1993; St. John, Paulsen, & Starkey, 1996). These recent research efforts are attempts to build a more complete understanding of the student retention challenge (St. John, Cabrera, Nora, & Asker, 2000).

Although there are ample of research studies on student attrition and retention, scholars, college administrators, and student affair practitioners are not sure how those theories fit into the reality of student persistence and retention. Moreover, critique has also pinpointed that less attention has been paid to the development of a model that illustrates the impact of financial assistance on student success—not just concerning access and persistence issues throughout college but addressing the importance of social, psychological, emotional, and economical well-being after college. Why do we care about a student's success after college? What is the central role of American higher education? This review of the literature provided some background information on the

importance of examining how finances influence college persistence and student success after college. The review was divided into four areas: 1) the central purpose of American higher education and its affordability, 2) student financial aid programs, 3) the effects of student financial aid loans, 4) student persistence studies: financial factors, and 5) theoretical framework: financial oriented persistence models.

### **Central Purpose of American Higher Education and its Affordability**

#### **20<sup>th</sup> Century American Higher Education**

Human development is a continuous lifelong process that is essential and important to a democratic society. Equal opportunity, good citizenship, and economic well-being, all concepts of a free society, depend on an affordable education for all citizens. Indeed, freedom and liberty are only gained and retained through a constant search for knowledge and understanding (Roueche & Baker, 1987). Thomas Jefferson advocated free public education and recognized that democracy, in order to flourish and develop, demands an intelligent and well-informed populace (Roueche & Baker, 1987). The need for an enlightened citizenry eventually led the state of Massachusetts to establish common schools in 1837; these schools were the beginning of free education in America. In 1862, with the Morrill Land Grant Act establishing land-grant colleges' greater access to higher education was achieved. The "open door" to higher education had been well established by 1944 when the number of students rose tremendously with the assistance of the G.I. Bill of Rights, which provided substantial funding for education to veterans of war (Roueche & Baker, 1987). In 1947, the philosophy of open access was further advanced by the Truman Commission on Higher Education, which strongly advocated education for all and established the basic functions of community colleges—

providing proper education for all the people of the community without regard to race, sex, religion, color, geographical location, or financial status (Roueche & Baker, 1987). During the 1960s, the baby boomer continued to increase enrollments in all colleges. With this increase in numbers, and the “open door” policy, came a dramatic increase in student diversity and population.

### **21<sup>st</sup> Century American Higher Education**

In the 21<sup>st</sup> century, higher education is an increasingly complex phenomenon throughout the world. Demand for access to higher education is amplified, as a postsecondary degree or certificate is seen as a key to social and economic success in many corners of the globe (Altbach & Forest, 2007). American higher education borrows its structure from both the British undergraduate college and German research university, but its character is profoundly influenced by three major philosophical beliefs that shape American public life (Eckel & King, 2004). Informed by the Jeffersonian ideals of limited government and freedom of expression, states, religious communities, and individuals, higher education institutions in the U.S. were established under and continue to maintain protection from the levels of government control seen in most other countries (Eckel & King, 2004). The second of influence is capitalism and the belief in the rationality of markets. American colleges and universities strive for students, faculty, and funding under the assumption that diversity and high quality are best achieved through competition rather than centralized planning (Eckel & King, 2004). The third major philosophical influence on American higher education is a widespread commitment to equal opportunity and social mobility—the major focus on this research study.

Higher education was an elite activity for much of its history, excluding

individuals based on gender, religion, race/ethnicity, and social class (Eckel & King, 2004). However, during the last couple of decades of the 20th century (1960-1999), economic and social changes transformed higher education into a primary gateway to the middle-class citizens, and women and minorities made paths against their longstanding exclusion from mainstream higher education. Americans came to view massive access to higher education as a necessary component of the nation's ideal as a "land of opportunity" (Eckel & King, 2004). With the demand for education opportunity as a means to enhance citizens' social mobility and economic growth, higher education responded by broadening admissions and widening access. In fact, the community colleges were founded in the 1960s to ensure open access to higher education for individuals of all ages, races, ethnicities, academic abilities, and income levels. During that time, government also played a prominent role in formulating policies to facilitate access to higher education. Individual institutions had their flexibility and autonomy to determine their own selection and enrollment policies. Policymakers and government provided certain guidelines or general criteria for public higher education institutions, but in general, universities were free to decide for themselves how to fill their enrollment capacity and goals, and strived to ensure that the students who were admitted to postsecondary study, who were adequately prepared and likely to succeed in their studies. The dramatic expansion of the programs and services available on state university campuses to accommodate all Americans began in the 1960s. Many states opened new four-year campuses, some with extensive investment in these new campuses. Beyond this important investment in campuses and programs designed to serve the goal of enhanced access, both state and federal government made an even more significant investment in

financial aid for students interested in attending college (Bogue & Aper, 2000).

The United States was the first country to build a mass higher education system, and for this reason, it has been a model for other countries to examine as they moved from elite to mass higher education access (Altbach & Forest, 2007). In the beginning of the 21<sup>st</sup> century (2000 to present), the demand for mass access is a reality and the central challenge of the higher education institution is to cope with massive expansion and growth in enrollment demand. According to Labi (2009), higher-education systems around the globe have experienced massive growth in recent years in a phenomenon that a new report calls it an unprecedented global academic revolution. Approximately, there are 153 million students enrolled at different colleges and universities worldwide, which represents a 53% increase in just nine years. Altbach and Forest (2007) also cited this trend and noted that many of the industrialized countries in the world enroll more than 30% of their citizens in higher education including the United States. Hence, private higher education institutions have grown in size and importance in the past decade to facilitate the challenging demand. Conversely, public support for higher education has declined substantially. According to Altbach (as cited in Labi, 2009), “There is an impetus to private higher education, because governments simply couldn’t support the demand for mass access.”

The idea that higher education should be seen as a “private good” (to be paid for by those who will directly benefit from it) rather than a “public good” (benefiting the entire society, and therefore a responsibility of society) has currency and support in most of the world (Altbach & Forest, 2007). The private good economic argument is known and accepted around the globe and is causing shifts in patterns of funding for higher

education. Since the economic downturn in 2008, the United States and much of the world have found themselves in the grip of the deepest and most prolonged sluggish economy since the Great Depression in the 1930s. Endowment funds have suffered and support for higher education institutions does not come easily. Virtually every public university has experienced cuts in state support. Even the most affluent independent colleges have had to tighten their belts and budgets. Worse still is the performance on college affordability. Tuition continues to rise as family incomes stagnate, threatening access to both public and independent campuses. *Measuring Up* (2006), a 10-year analysis by the National Center for Public Policy and Higher Education, asked whether it is easier, about the same, or more difficult for families to pay for college today compared to in the early 1990s. It found that state, national, and institutional policies have made it harder for many families to afford college in America. The cost of sending a child to college has outstripped the growth of family income across the nation. This trend is partly a negative reflection of the student financial aid programs, which now cover a smaller portion of tuition than it did twenty years ago. Another part of the problem is simply that tuitions have been rising steeply, sharply, and rapidly even at public institutions. Over the last decade, while the nation's median family income increased by 6%, the average tuition at four year public colleges and universities increased by 44% (Measure Up, 2006). For middle-to-low-income families, the results were particularly harsh. The median annual income of the bottom 40% of families was \$20,157 in 2003; the net cost of sending a student to community college averaged 34% of that income (Measure Up, 2006). It should come as no surprise, therefore, that the gaps in college attendance between affluent and poor students have widened in America. Findings from the

*Measuring Up* (2008) reported the same trend. The nation's colleges and universities have become less affordable for students and their families from year-to-year—the trend in deteriorating college affordability in the majority of states. Although many states have increased their investment in need-based financial aid, tuition increases have still outpaced growth in financial aid. In all but two states, the percentage of family income, after financial aid, needed to pay for a public four-year college has increased since 2000 (Measuring Up, 2008). On average, students from working and poor families must pay 40% of family income to enroll in public four-year colleges. Students from middle-income families and upper-income families must pay 25% and 13% of family income, respectively, to enroll in public four-year colleges (Measuring Up, 2008). One can imagine a slow but prolonged downward spiral in which access and academic quality in American higher education are endangered (National Survey of Student Engagement, 2010).

### **Student Financial Aid Programs**

In the 21<sup>st</sup> century, a majority of American students rely on some form of financial support to get in, stay in, and graduate from college. Financial support can be in the form of scholarships, monetary endowments, monthly allowance, tuition waivers, tuition discounting, grants, loans, vouchers, apprenticeships, internships, and working wages (Trostel, 2009). Hence, the financial support programs are varied in criteria, providers, amounts, requirements, and repayment terms and conditions. Among all, the most common, popular, and easily accessible type is the federal student financial aid program. According to U.S. Department of Education (2010):

Federal students aid's core mission is to ensure that all eligible individuals benefit

from federal financial assistance—grants, work-study, and loans—for education beyond high school. Federal student aid covers expenses such as tuition and fees, room and board, books and supplies, and transportation for students to attend American higher education. Aid also can help pay for a computer and for dependent care. (p. 2)

The philosophical and financial commitment evident in America is the provision of free public education from kindergarten through the 12<sup>th</sup> grade and the expectation that the majority of the young Americans will graduate from high school. For postsecondary education, the expectation and support are different. Postsecondary education is not free and it is not compulsory, thus leaving it up to the individuals to determine whether or not they would like to pursue a college degree. For those with college aspirations but have limited financial resources at home, they would normally apply for federal financial aid to gain access to higher education. Student financial aid assistance for college students has increased from \$557 million in 1963–1964 (Lewis, 1989) to \$55.7 billion in 1996–1997 (Average Cost of Tuition, 1997) to \$100 billion in 2008 (U.S. Department of Education, 2010). There are three types of federal student aid: 1) grants—financial aid that does not have to be repaid (unless the student withdraws from school and must repay the funds, 2) work-study—subsidy that allows the student to earn money for education by working on campus, and 3) loans—funds the student can borrow to pay for education. Student must repay loans with interest. Bogue and Aper (2000) summarized the historical financial aid effort:

The Higher Education Act of 1965 furnished the first major insertion of federal funds into financial aid programs. Prior to 1972, federal funds were distributed to

states that, in turn, dispersed the aid to students. The adoption of the Basic Educational Opportunity Grants (BEOG) marked the transition to direct federal student aid. Other programs include the Supplemental Educational Opportunity Grants (SEOG), College Work Study (CWS), Direct Student Loans (DSL), Guaranteed Student Loans (GSL), and Student Loan Marketing Association (Sallie Mae), all initiated by the Higher Education Act of 1965. (p. 121)

In recent years, however, the federal government has shifted federal aid programs toward the direction of loans than grants (Bogue & Aper, 2000). According to Avery and Turner (2012, p. 165), “New federal student loans for higher education amounted to \$97 billion in 2009–2010: \$66.8 billion to undergraduates and \$31 billion to graduate students. Borrowing to finance educational expenditures has been increasing—more than quadrupling in real dollars since the early 1990s.” The shift to loans has intensified the out-of-pocket costs and has become a concern for many students and their families. This costly trend can easily be seen at most colleges and universities, even at state-supported land grant higher education institutions. Therefore, from a financial perspective, while we may view K–12 education as a citizen’s right in American society, higher education remains a privilege (Bogue & Aper, 2000). According to the fall 1998, “Almanac Issue” of the *Chronicle of Higher Education*, total institutional, state, and federal financial aid to students in 1995–1996 totaled almost \$56 billion, with almost three-fourths of that from federal government sources (Bogue & Aper, 2000). Increases in tuition at both public and private four-year institutions have exceeded the rate of inflation in every year from 1980 to the present (The College Board, 1997; Lewis, 1989). Federal need-based grant aid has declined substantially since 1980 (College Board, 2000; St. John, 1994). College costs

have risen faster than federal student aid since that time (The College Board, 2000). Over the decade from 2000 to 2010, published tuition and fees at public four-year colleges and universities increased at an average rate of 5.6% per year beyond the rate of general inflation (The College Board, 2010). The same trend happened in the private nonprofit four-year institutions, the tuition and fees charges increased from an average of 22% to 28% over the decade (The College Board, 2010). Loans represent 49% of the aid available to undergraduates and grants just 46% (The College Board, 2007). The volume of both federal and private loans used for financing college has grown faster over the last decade than spending on federal, state, or institutional grants (The College Board, 2007). Federal financial aid issued \$100 billion in aid to nearly 14 million postsecondary students and their families in 2008 (U.S. Department of Education, 2010).

According to Hunt and Tierney (2006), it was considerably more difficult for many families in this country to pay for college in past decade. This was not just a matter of state budget cuts, as deplorable as those might be. Tuition at two-year and four-year institutions has increased faster than inflation and faster than family income, and it has done so even in the years when budgets have not been cut. Moreover, increased financial aid has not been deployed to meet the growing need. The total amount spent on financial aid has increased over the decade, but the share “targeted” at low-income students has gotten smaller. One consequence of escalating tuitions and untargeted aid is that for low-income families, the cost of a year’s attendance at a four-year public college or university now equates, on average, to 40% of family income (Hunt & Tierney, 2006). Another consequence is that student borrowing and the indebtedness of college graduates have increased every year of this decade (Hunt & Tierney, 2006). Student loans may have

become a legitimate and necessary part of accessing and financing college, but the debt implications for students and society are monumental.

### **Effects of Student Financial Aid Loans**

Financial support can be a huge factor determining the success of prospective and current students. However, the type of financial support can also be the factor determining the well-being of students during and after college. Do students really know the differences between the various financial aid support systems available, in particular, the implications of using loans as a major source of paying for college?

### **Positive Effects of Student Financial Aid Loans**

Loans represent huge implications for students. According to Gruber (2001) and Nam and Huang (2009), student financial aid loans and credit card debts are commonly known as unsecured debt. Unsecured debt, which is usually incurred when the current consumption of a family exceeds current available income and assets, can have conflicting positive and negative implications for those financing higher education. One positive effect reported by some students and their families was having access to credit resources, which they thought could provide necessary assistance for a college education in times of economic hardship (Mayer & Jencks, 1989; Sullivan, 2005). More specifically, they believed that having access to credit could increase the opportunity for a student to enroll in and graduate from college, compared to those without access to such resources. In addition, they suggested that having the ability to borrow might reduce the need for a student to work long hours to support their college education, hence increasing their chances to persist in college. This line of thinking validated by Bowen, Chingos, and McPherson (2009) and Frank (1999), their research studies showed that educational

loans and other debt, as an investment in status attainment, may help to increase the chance of college degree attainment if it is a rational investment that will pay off in the future.

### **Negative Effects of Student Financial Aid Loans**

The other line of thinking about loans was a total opposite to the positive effect. Others believed that heavier loan debt could have a diminishing impact on persistence in college. The rationale was that families and students with large amounts of debt might find it difficult to save, as well as to secure additional loans for other purposes in the future, thus limiting potential resources for pursuing and continuing higher educational attainment. Drentea and Lavrakas (2000) and Jenkin et al. (2008) reported that having large debt burdens could also harm physical and mental health. Heavy debt was often associated with financial stress, which in turn may lead to feelings of being out of the control and reduced capacities for future planning and development. Young people experience more debt stress and anxiety than older age groups (Drentea, 2000). According to Christie and Munro (2003), the stress level could even be stronger for college students, because of their limited resources and their inexperience in determining the type of financial aid package and options they need, and their inability to manage finances in general. Furthermore, a heavy debt load may decrease the likelihood of graduation for college students, because of their anxiety about loan repayment and their reluctance or inability to secure additional loans (Dwyer, McCloud, & Hodson, 2011). Elliott and Nam (2011) indicated that debt, especially a sizeable debt, might reduce student's ability to stay in college in part through its indirect impact on expectations.

**Loans: Not a One Size Fits All Programs**

As previously indicated, different empirical studies suggest inconsistent findings about the conflicting effects of loans. Nevertheless, the recent studies overall suggested that loans were more likely to have negative impact among disadvantaged families. According to Kim (2007), her study found that higher student loans in the first year of college negatively impacted degree completion only among low-income and African American students. In addition, as cited by Paulsen and St. John (2002), loans only had negative effects on within-year persistence for low-income and lower-middle-income students and families. Based on these research findings, family resources might help reduce the risks from debt. As reported by Johns et al. (1992), loans had a negative impact on motivating students to return for a new semester, but had no impact on those who were attending private higher education institutions. Similarly, another study found that student debt had little impact on college completion among a group of students at elite private universities. In essence, the empirical studies illustrated that student financial aid loans are not a one size fit all program. Some people may view educational loans as investments and experienced it as a positive impact in college completion, while other people experienced the opposite.

**Debt Implications**

According to Dwyer, McCloud, and Hodson (2012), the positive impact works only to some extent. In their study sample of students who attend public universities, they found that students from the bottom 75% of the income quartile who bear a sizeable debt, more than \$10,000.00, have less chance of college persistence and degree attainment. Moreover, Surowiecki (2011, November 21) summarized:

You can't flip a college degree the way you can flip a stock, or even a home. But what the loan non-supporters are really saying is that young people today are radically overestimating the economic value of going to college, and that many of them would be better off doing something else with their time and money.

According to Dickler (2010), a recent poll found that 85% of college graduates were planning to move back home and live with their parents after graduation. In addition, Kamenetz (2006) stated that a combination of wage declines in entry-level jobs and increases in college tuition have placed many high school graduates in a no-win position, pressuring them to take on unmanageable levels of financial risk in the form of student loans. Furthermore, Rothstein and Rouse (2011) indicated in their study that high debt burdens make students less likely to choose a lower-paying occupation, such as becoming a teacher. Similarly, Gicheva (2011) suggested that additional student debt in excess of \$10,000 decreases the long-term probability of marriage by 7%. Alarming, Leiber (2010) cited that there are increasing stories from the newspapers reporting students who finish their undergraduate degree with \$100,000 or more in debt.

### **Student Persistence Studies: Financial Factors**

Most of the literature suggests that student persistence issues result from a lack of consistent conceptual and operational definitions for success, persistence, and enrollment trends. Without sufficient concept analysis leading to effective definitions, measurement of these variables will remain inconsistent. Strevy (2005) attempted to provide a definition of student persistence in college as:

Academic persistence is conceptually defined as the extent to which the student overcomes challenges, making the decision to continue to work toward academic

goals. This decision is influenced by social and environmental variables, whereby there is a continual weighing of the emotional, financial, and social costs and benefits. (p. 23)

Based on the above definition, financial factor are one of the weighing variables for students to determine students' ability to pay for college and their decision to persist in their academic journey. Students, parents, governmental agencies, and the media share concerns over the ever-increasing cost of higher education, even within the public sector, accompanied with institutional sensitivity about efficient student use of scarce resources and the need for decreasing undergraduates' time for Bachelor's Degree attainment (Adelman, 1999; Astin, Tsui, & Avalos, 1996; Volkwein & Lorang, 1996). By reviewing the National Center for Educational Statistics High School and Beyond longitudinal study, Adelman (1999) reported that five years of elapsed time to bachelor's degree completion, rather than the traditionally recognized four, has become the de facto average. The national study indicated fifty-seven (57) months as the mean of time-to-degree. According to Turner (2004):

Changes in tuition price and variations in the availability of collegiate options affect college completion and time to degree. Most colleges and universities are either public institutions or private nonprofits, which receive substantial public subsidies. One implication of the mixed-market structure in higher education is that it is inappropriate to assume perfect elasticity of supply. Increases in college price, particularly the difference between the tuition charged by two-year and four-year institutions, might have an adverse impact on attainment, though direct college charges are small, relative to opportunity costs. (p. 30)

Several states such as Florida, Louisiana, Ohio, and South Carolina, have linked graduation rates to performance funding initiatives. A recent development in Ohio is the availability of Success Challenge funds to state universities, which rewards them for the timely degree completion of undergraduates. Lam (1999) studied both total terms enrolled and total terms elapsed for graduates; he reported that full-time enrollment, higher grade point average at graduation, being an out-of-state student, being female, changing majors fewer times, having a low percent of loan dollars in relation to students' total financial aid package, not being employed, and being a student of color to be predictive of more rapid degree completion.

The economic approach of persistence research indicates that finance-related choices have direct and indirect influences on college persistence and that market-based monetary measures of financial aid, tuition, housing costs, and other living costs have substantial direct effects on persistence (St. John & Paulsen, 1996). Heller (1999) was one of the first to examine the impact of state financial aid on enrollment decisions. His study of college enrollment rates by state and race found that for all races, state need-based grant expenditures helped explain public enrollment rates, especially at community colleges. More recently, Kane (2003) found that California's Cal Grant scholarship program has led to an increase in college enrollment. These studies provide some evidence that state need-based financial aid in particular can affect enrollment decisions. Berge and Huang (2004) stated that an individual student is involved in a continual cost and benefit analysis of social, organizational, economic, and psychological factors. This cost and benefit analysis influences the decision to persist in or to drop out from college. According to Turner (2004):

Attending college bears many similarities to other investment decisions, like buying a car or a piece of machinery at a firm. Potential students weigh the benefits from collegiate choices with the costs. Benefits include higher earnings over the remaining working years and whatever consumption utility is associated with the educational experience. Costs include the direct costs of college and foregone earnings. While tuition costs receive most of the attention in the popular press, it is the foregone earnings that typically form the largest share of college costs. (p. 27)

In addition, Leslie and Brinkman (1987) concluded that higher tuition costs did indeed decrease college enrollment. Much of the quantitative research has focused on differences among social groups in their sensitivity to college costs. Both McPherson and Schapiro (1991) and Kane (1994) found that lower-income students were more sensitive to college costs than higher income students. Furthermore, although initial college choices are considered an influence on persistence, their impact of students' choices has seldom been considered when studying their persistence and student outcomes. According to these researchers, two distinct sets of theories and research have evolved regarding college choice and persistence as a result of considering them as two separate managerial functions in higher education. College choice research often supports marketing and recruitment, while persistence research supports student retention and completion. Using data from the national postsecondary student aid study, which researched the influence of finance-related reasons for college choice on persistence decisions, data showed that finance-related choices had direct and indirect influences on college persistence and that market-based monetary measures of financial aid, tuition,

housing costs, and other living costs had substantial direct effects on persistence.

Perna (2000) and Perna and Titus (2005) found that measures of social and cultural capital were nearly as important as academic ability in explaining the enrollment decisions of Black and Hispanic youth. Kane (1994) and Ellwod and Kane (2000) reported that parental education is a stronger predictor of college enrollment than is parental income (Kane 1994; Ellwood & Kane 2000). In general, researchers have found that student's family and social background matter because these are sources of encouragement, advice, resources, and expectations for students; thus when family or social background is included as a predictor variable, it has been found consistently significant in college enrollment decisions.

Tinto (1987) conducted his study on the relationship of student employment to college persistence—a form of financial support to students during college. He stated that although employment generally harms persistence rates, the effect depends on hours of work and the degree to which employment removes the student from the campus community. For example, Tinto found that full-time employment is more harmful than part-time, and off-campus work is more detrimental than on-campus work. But he also found that some employment can be beneficial. On-campus, part-time work was found to improve a student's probability of graduating—possibly because such a job helps a student to integrate socially and intellectually into the campus community. Tinto concludes that such positive integrative experiences, especially those that bring students and faculty into contact outside of the classroom, can play a crucial role in retaining students. Moreover, Ehrenberg and Sherman (1987) examine the connections between work and drop-out rates using statistical techniques to control for other attributes of

students. By using the longitudinal data from the 1970s, they found that working 20 hours per week increased the likelihood that a student dropped out after his first year by 3.2 percentage points for four-year college students and 6.6 percentage points for two-year college students. After four years, college students who had worked 20 hours per week at an off-campus job were 8.7 percentage points less likely to have graduated than non-workers. Nevertheless, Ehrenberg and Sherman (1987) also found evidence that on-campus employment had positive effects, possibly because such jobs were more career-related or sparked interest in further academic programs.

In recent years, empirical studies have combined student entry characteristics (first generation, socio-economic status, financial aid status, and need for remediation) with the academic momentum variables and found that entry characteristics account for only modest levels of student persistence and success. When the academic momentum behaviors are considered, the characteristic that continues to have some modest connection to persistence is when students are able to get financial aid support and assistance. Likewise, socioeconomic status and first generation college status continue to have a modest connection to success, but only to success when measured by bachelor's degree completion (Adelman, 2006).

### **Theoretical Framework: Financial Oriented Persistence Models**

Empirical examination of the role of finances on college persistence is important to this study. Hence, reexamining and enhancing the theoretical framework during this dissertation writing process are vital. During the reviewing process, I validated that using a combination of the nexus model, motivational theory, and human capital theory will be aligned with the purpose of my study and the research questions. I picked the nexus

model, motivational theory, and human capital theory and combined them into one framework. The nexus and motivational theories provided me with rationales on the financial impact in relation to its influence on students' college access and persistence. For the human capital theory, it is useful to study students' perceptions of their investment in college and their outputs during and after college. The term "human capital" is defined as production, which is interpreted as additional investment yields additional output. Output translates to earning and general advancement and satisfaction in life. Thus, the human capital theory provided me with an explanation of educational attainment in relation to students' general satisfaction after college; therefore it will guide me to answer the research question about students' perceptions on whether or not they view education as a worthwhile investment. More importantly, the combined framework helped me to develop and refined my research questions; it cleared my vision as to what I should ask and how I should construct my interview questions. I will explain the three frameworks in details in the following segments.

### **Nexus Model**

The nexus model developed by St. John, Paulsen, and Starkey (1996) is based on the assumption that the same factors that affect a student's choice of institution also affect student persistence. The theory focuses primarily on financial factors that affect college choice and persistence, including the amount of financial aid dispersed to students. The nexus model provides a guide and a direction of studying how students' perceptions of affordability. Students' perceptions and evaluations include their socio-economic background, academic ability, and financial circumstances. Financial circumstances include their ability to pay for tuition and fee charges and living costs, working options

while attending college, as well as perceptions of student financial aid. All these factors can influence their integration processes and their subsequent cost and benefit calculations about college persistence (e.g., commitments at the time the departure decision is determined). The model also addresses that changes over time in financial-aid packages can influence students' academic and social integration processes as well as their subsequent persistence decisions (St. John, Cabrera, Nora, & Asker, 2000). The framework demonstrates that students' financial commitments to higher education are based on an understanding of the financial circumstances and obligations, such as students' ability to pay for college and their ability to earn money for this purpose, are not only part of this initial cost and benefit decision, but also integral to the formation of initial institutional commitments (St. John, Cabrera, Nora, & Asker, 2000). Nevertheless, St. John, Paulsen and Starkey (1996), developers of the nexus model, also acknowledged that there were other factors besides financial motives common to both the college choice decision and the decision to remain in college or complete degree requirements.

### **Motivation Theory**

Motivation theory developed by Abraham Maslow (1908–1970) stated that people have certain needs, which are unchanging and genetic in origin and nature. These needs are the same in all cultures and are physiological, psychological, mental, and economical. Maslow described these needs as being hierarchal in nature, meaning that some needs are more basic or more powerful than others and as these needs are satisfied, other higher needs emerge, surface, and become tangible. Individuals evolve, progress, and change when they are driven to satisfy such higher-order needs and higher-order satisfactions as self-esteem and self-actualization.

According to Maslow (1954), the desire to satisfy higher-order needs can only take place once basic needs (e.g., food, shelter, transportation, clothing, etc.) are satisfied. Desperation and deprivation for basic needs can lead to stagnation and even regression to earlier developmental stages. For Maslow, these basic needs become prepotent and urgent; that is, they dominate an individual's life, diverting all efforts, energies, and thoughts to the satisfaction of those primary needs.

Maslow's motivational theory has great impact and implications on educational structure, policy, and practice. In order to maximize the effectiveness of school-wide programs and initiatives, the learning community e.g., individuals, teachers, school administrators, policy-makers, private sectors, public sectors, etc. must consider student needs and their hierarchical order so that students have the opportunity, resources, networks, and capability of reaching their highest levels of potential.

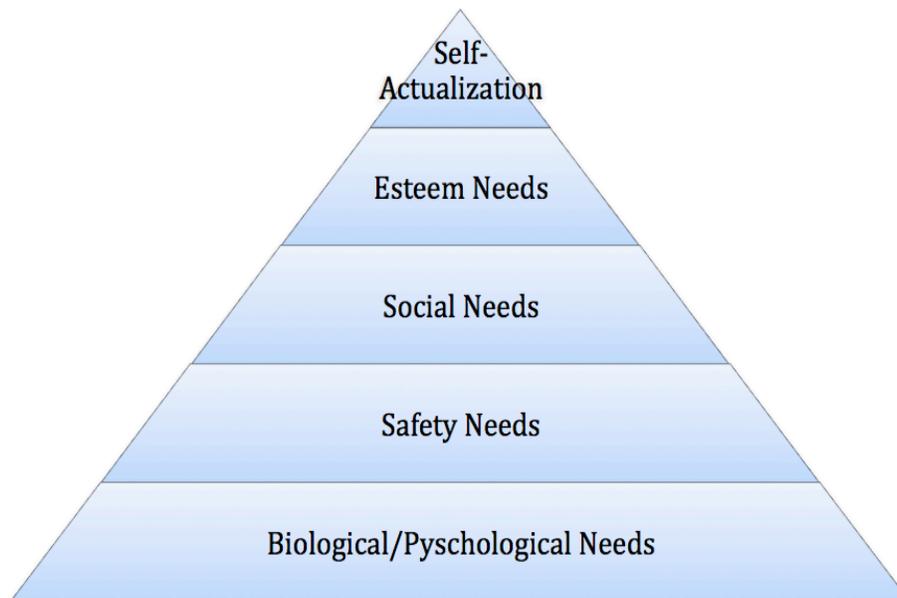
Extending the Maslow concept of prepotency to integrative efforts portrays a situation where a student's pursuit of cognitive and affective development can be redirected when financial needs are challenged and/or no longer available, such as lack of income source and/or a means to satisfy the day-to-day basic needs to survive as a human being. Financial need then becomes a psychological and a mental stressor compelling the student to divert his/her attention, focus, and energy from academic endeavors and pursuits to monetary concerns and burdens. If financial circumstances remain as such, the student is pulled away from the academic and social domains of the education institution to pursue alternative activities (e.g., working, obsessing over financial problems) (St. John, Cabrera, Nora, & Asker, 2000). On this account, the pursuit of a college degree and

concurrent intellectual development clearly fit within Maslow's higher-order taxonomy.

Figure 2.1 illustrates the different levels of Maslow's *Hierarchy of Needs*.

Figure 2.1

*Abraham Maslow's Motivational Theory: Hierarchy of Needs Model*



- ❖ **Biological/Physiological Needs** are the basic elements the human body needs to survive, e.g., food, water, shelter, clothing, transportation, etc.
- ❖ **Safety Needs** are the resources a human needs to feel safe from physical or economic harm.
- ❖ **Social Needs** are desire to deliver and acquire affection and to be considered as part of a group.
- ❖ **Esteem Needs** are recognitions received from others as well as one possessing with self-esteem.
- ❖ **Self-Actualization Needs** are the desires an individual has for self-fulfillment and developing to their full potential.

*Note.* The different levels of needs form a hierarchy. If the lower-level needs haven't been fulfilled, a person will try to satisfy those needs before trying to satisfy higher level needs. Once the lower level needs have been satisfied, a person will then focus their action on the needs of the next level. Hence, the lower foundational levels of the pyramid need to be satisfied before a person will consider higher level needs are important enough to require attention and action.

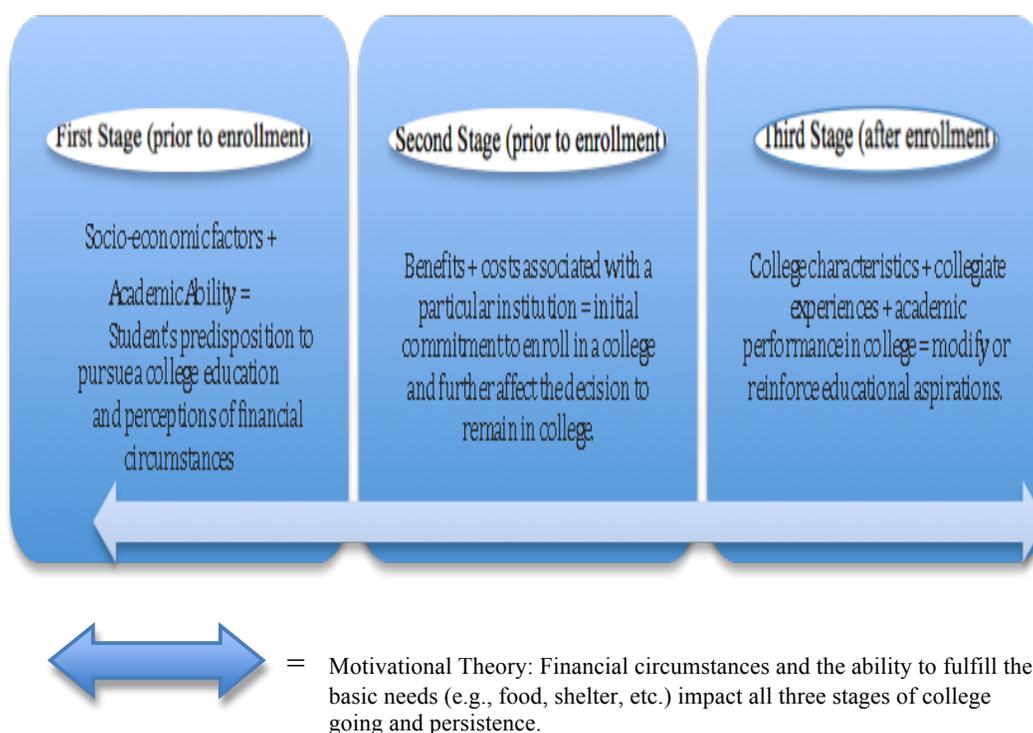
Competing demands for public resources and for accountability of program

effectiveness underscore the need to better understand the role of student financial aid in eliminating financial barriers to college enrollment (Smart, 2010). Although many researchers have examined the effects of student financial aid on student outcomes, gaps

in knowledge persist. Based on their comprehensive review of research for the College Board's "rethinking student aid" project, Baum and McPherson (2008, p. 6) concluded that more research is needed, as "many questions remain how to develop the most effective student aid policies." Figure 2.2 combines that nexus model and the motivation theory into one model to illustrate the financial impact on students' choice and persistence prior to and during college.

Figure 2.2

*Nexus Model: Three-stage Process + Motivation Theory*



*Note.* Illustration of the economic perspectives by using the nexus model three-stage process and motivation theory to review students' college choice and persistence during college.

### **Human Capital Theory**

Paulsen and Smart (2001) stated that a variety of economic concepts, theories, and models have been useful in the study of the finance of higher education (Cohn & Geske, 1990; Leslie & Brinkman, 1988; Paulsen, 1998). Most of these tools of analysis have

been drawn from the broad theoretical framework of microeconomics. For example, the economics of the public sector is an applied field of microeconomics that has been useful in the study of the role of government in the finance of higher education; and the economic of human capital is one theoretical approach drawn from another applied field of microeconomics (labor economics) that has been useful in the study of the effects of financial and non-financial factors on students' college-going behavior. Furthermore, as cited in Paulsen and Smart (2001):

Students make a series of choices that are manifested in their college-going behavior (St. John, 1994). They choose whether or not to attend college (an access decision), which college to attend (a college-choice decision), and whether or not to re-enroll each semester and year (a persistence decision). Human capital theorists view these choices as the results of students' decisions to make investments in higher education—a form of human capital (G. Becker, 1993; Kiker, 1971b; Mincer, 1993a, 1993b; Schultz, 1961; Weisbrod, 1968). Human capital can be defined as the productive capacities—knowledge, understandings, talents, and skills—possessed by an individual or society; and investment in human capital refers to expenditures on education, health, and other activities that augment these productive capacities (Arai, 1998; Johnes, 1993; Paulsen & Peseau, 1989; Schultz, 1961; Thurow, 1970; Woodhall, 1995). Investment in human capital is attractive to both individual and government sectors. The greater productivity of individual workers is related to increases in their lifetime earnings, and by expanding the productive capacities of the workforce, investments in human capital are also positively related to increase in the general levels of local,

state, regional and national output and income (Denison, 1962, 1984; Leslie & Brinkman, 1988; Paulsen, 1996a, 1996b; Pencavel, 1993; Psacharopoulos, 1973).

(p. 56)

The human capital theory was proposed by Schultz (1961) and developed extensively by Becker between 1975–1993. Becker (1994) has explained in his publication titled “*Human Capital: A theoretical and empirical analysis to special reference to education*” that the human capital theory was developed due to the realization that the growth of physical capital is only small part of growth in the growth of income. Relatively, the emergence of education and skills training in military technology has also played an important part in the discovery of this theory. Becker was one of the first economists to branch into what were traditionally considered topics belonging to sociology, including racial discrimination, crime, family organization, and drug addiction. He is known for debating that many different types of human behavior can be seen as rational and utility maximizing. He is also among the foremost exponents of the study of human capital. This theory is rooted in labor economics. Labor economics study focuses on the workforce in general, but the major difference is that it applies quantitative terms, thus, it was more accurate predictability than other social sciences. Economist Theodore Schultz introduced the concept of return-on-investment, which highlights the cost-benefit analysis of training and education. Becker (1994) developed the human capital theory based on Schultz’s research on return-on-investment. Becker also introduced the concept of general-purpose human capital and firm-specific human capital that are widely used by human resource development practitioners worldwide.

The human capital theory suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence, raising workers' future income by increasing their lifetime earnings (Becker, 1994). It postulates that expenditure on training and education is costly and should be considered an investment since it is undertaken largely to increase personal incomes. The human capital approach is often used to explain occupational wage differentials. Human capital can be viewed in general terms, such as the ability to read and write, or in specific terms, such as the acquisition of a particular skill with a limited industrial application. Becker's view emphasizes that human capital is similar to physical means of production, e.g., factories and machines: one can invest in human capital (via education, training, medical treatment) and one's output depends partly on the rate of return on the human capital one owns. Thus, human capital is a means of production, into which additional investment yields additional output. This theory is useful to study students' perceptions of their investment in college and their outputs during and after college. Output translates to earning, general advancement, and personal satisfaction in life.

The human capital model, Figure 2.3 as shown below, suggests that an individual's decision to invest in training is based upon an examination of the net present value of the costs and benefits of such an investment. Individuals are assumed to invest in training during an initial period and receive returns to the investment in subsequent periods. Workers pay for training by receiving a wage that is lower than what could be received elsewhere while being trained. Since training is thought to make workers more productive, workers collect the returns from their investment in later periods through higher marginal products and higher wages. Human capital models usually delineate

training into specific training, which increases productivity in only one firm, and general training, which increases productivity in more than one firm. Workers finance general training, and the workers receive all of the returns to this training. In contrast, employees and employers will share in the costs and returns of specific training. Despite these differences between general and specific training, the model predicts that both forms of training lower the starting wage and increase wage growth.

Figure 2.3

*Human Capital Model*



*Note.* Model to interpret education investment and educational output/satisfaction.

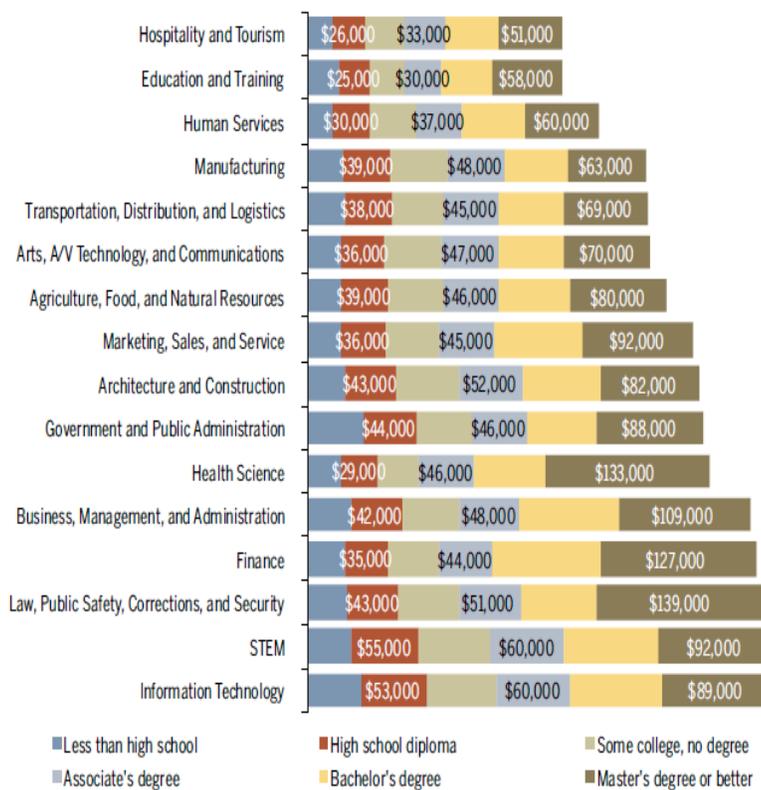
Block (1990) has argued that human capital theory is a poor concept of capital. It is unable to understand human activity other than as the exchange of commodities, and the notion of capital employed is purely a quantitative one. This misses the point that capital is an independent social force where the creation of social value comes about through its capital accumulation. Given this explanation, human capital is an abstract form of labor—a commodity—and not capital. Commodities such as human capital are, therefore, part of the life cycle of capitalism as a form of labor and not able to be exchanged independently of it.

Another criticism of the human capital theory is that it is based on the assumption that education in fact improves productivity and thus could explain higher

wages. How true is this assumption? The theorists clearly did not take into account the transfer of learning. Does the duration of education and training really increase productivity and lead to higher wages? Certainly this notion is ideal, but questionable. However many other factors do influence productivity and wages. There are differences in wages in different regions and occupations. Compensation also depends on the kind of industry the employee is in. In some industries, labor compensation is regulated by the Union. According to *Career Clusters 2008–2018* (2011), although there are a direct correlation between educational attainment and wages, occupational choice and marketing demand also matter, as shown in Figure 4 and Figure 5. This concept is critical to understanding not only the forces that drive educational demand but also what shapes the U.S. job market. As stated in *Career Clusters 2008–2018* (2011):

Although average wages are useful for gauging a worker's placement within a career cluster, they conceal complex relationships between wages and degree choice or between wages and occupational choice. In other words, although education level is highly associated with earnings, other factors are important as well, including the occupation a worker pursues within a particular industry, the kind of degree a worker selects, and a variety of personal traits, interests, and values. 31% of workers within an associate degree earn more than the average worker with a bachelor's degree. Within occupations, the more education a worker has, the better the pay. Across occupations, this relationship is looser; the occupation a worker chooses also matters for the wage outcome. (p. 70)

Figure 2.4

*Education Still Determines Wages, But Occupation Also Matters*

SOURCE: Authors' Analysis of ACS data, 2006-2009

*Note.* Fields of earnings based on educational attainment. Copyright 2011 by Career Clusters 2008-2018.

As indicated in Figure 2.4, Hospitality and Tourism pay the lowest average wages of all sixteen-career clusters. This relatively low wage threshold occurs at all education levels. A worker in Hospitality and Tourism has to obtain a Master's degree or better to earn the average wage of all sixteen clusters. The same is true for Education and Training and Human Services.

Figure 2.5

*Information Technology; Health Science; and Law, Public Safety, Corrections, and Security meet national criteria for high demand, high wages, and high skills*

Career cluster	GROWTH RATE 2008-2018 (%)	YEARLY WAGES 2009 (\$)	POSTSECONDARY EDUCATION 2008 (%)	HIGH DEMAND	HIGH WAGES	HIGH SKILL
Information Technology	23	71,000	93	X	X	X
Education and Training	14	46,000	91	X		X
STEM	9	74,000	89		X	X
Health Science	21	63,000	80	X	X	X
Finance	10	64,000	80		X	X
Law, Public Safety, Corrections, and Security	14	69,000	77	X	X	X
Arts, A/V Technology, and Communications	5	49,000	76			X
Business, Management, and Administration	6	64,000	74		X	X
Government and Public Administration	8	50,000	68			X
Human Services	19	42,000	65	X		X
Marketing, Sales, and Service	11	51,000	57	X		
Agriculture, Food, and Natural Resources	3	44,000	42			
Manufacturing	-1	41,000	38			
Hospitality and Tourism	12	29,000	37	X		
Transportation, Distribution, and Logistics	4	40,000	37			
Architecture and Construction	7	45,000	35			
TOTAL	10	51,600	59			

SOURCE: Center on Education and the Workforce forecasts of educational demand through 2018  
X meets criteria for high demand, high wage, or high skill.

*Note.* High demand, high wages, and high skills fields. Copyright 2011 by Career Clusters 2008-2018.

As shown in Figure 2.5, the Center on Education and Workforce compares the 16 career clusters against simple standards for job growth on a national level identifies only three career paths that meet high-skills, high-wage, and high-demand from 2008 to 2018. The three rewarding and promising career paths are Information Technology; Health Science; and Law, Public Safety, Corrections, and Security. In addition, ten out of the sixteen career clusters required high skill and high education (65%-93%), only three meet the high wages and high demand criteria. The results clearly indicate an inequality and harsh reality of the different types of educational investments to wages and job opportunities.



## CHAPTER III

### RESEARCH METHODOLOGY

This chapter describes the research method used to examine the trends in American higher education in terms of cost and financial aid assistance, specifically loan programs, as well as identifies debt implications for students during and after college. Processes that are vital in carrying out the methodology research will be discussed in this chapter: 1) research questions; 2) data source overview; 3) description of site; 4) research design; 5) data analysis; 6) standards of quality and credibility; and 7) limitations of the study.

#### **Research Questions**

The qualitative data generated in this study were used to answer the three research questions:

1. What are students' perceptions on the affordability of American higher education in the 21<sup>st</sup> century (2000–present)? To what extent are students and their families relying on loans to gain access to higher education?
2. What are the debt implications for students and their families during and after college?
3. How do educational attainment and wages affect students' personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?

## Data Source Overview

### Qualitative Method: Case Studies

This study used a qualitative approach to answer the research questions. An underlying assumption in this study was that because of the high cost of education, students rely heavily on student loans to gain access to and persistence in college. As a result, there are debt implications (psychological, financial, emotional, social) for students during and after college. Qualitative research generates data in words rather than statistics and numbers. Data are full of in-depth and rich verbal descriptions of the phenomena. While there are different qualitative techniques that can be used to provide verbal descriptions, the goal of each is to capture the richness and complexity of behavior that occurs in natural settings from the participants' perspectives. Once collected, the data are analyzed inductively to generate findings (McMillan & Schumacher, 1989).

Case studies were used to answer the three research questions. Merriam (2009, p. 50) stated, "Case study is the best plan for answering the research questions; its strengths outweigh its limitations. The case study offers a means of investigating complex social units consisting of multiple variables of potential importance in understanding the phenomenon." Furthermore, case study has proven particularly effective for studying educational innovations, evaluating programs, and informing policy (Merriam, 2009). According to Merriam and Associates (2002), a case study is a vehicle for an in-depth description and analysis of a phenomenon: the process of conducting the research will need to be carefully designed and the execution will be a complex, time-consuming, and rewarding journey. To execute case studies, interviews were conducted with participants on a one-on-one basis. "Interviewing is the best technique to use when conducting

intensive case studies of a few selected individuals” (Merriam, 2009, p. 88). Hence, the target number of participants for this study needed to be manageable for the researcher and the target contacts needed to be large enough to harvest a decent sampling that would be significant for analysis and interpretation. Fifteen was the original random target sample size of this qualitative study and nine was the actual final participant size.

Regardless of the final participant number, the ultimate goal was to have enough personal stories to develop categories and themes, to find deep and rich descriptive dialogs for within-case analysis and the cross-case analysis, and ultimately to answer the research questions. “A qualitative, inductive, multi-case study seeks to build abstractions across cases. Although the particular details of specific cases may vary, the researcher attempts to build a general explanation that fits the individual cases” (Merriam, 2009, p. 204). To accomplish this recruitment goal, purposeful and snowball sampling was employed in this study. University of Hawai‘i’s financial aid offices were approached to discuss the logistics of harvesting subjects from the target population. A flyer detailing the purpose, process, and expectations of the research study was used for recruitment of the participants. Merriam (1998, p. 61) stated that “purposeful sampling is based on the assumption that the investigators wants to discover, understand, and gain insight and therefore must select a sample from which the most can be learned.” Hence, sampling criteria was established to account for variables, e.g., gender, age, major of study, socio-economic status, highest college attainment, etc. that are most directly linked to the purpose of the study. In addition, a snowball sampling method was employed to yield the target subjects. Snowball sampling is perhaps the most common form of purposeful

sampling because the strategy involves asking each participant or group of participants to refer you to other participants (Merriam, 1998).

### **Interview Questions**

Another important component of this research design was to construct the interview questions. To ensure the interview questions would yield rich stories from the participants, focus was placed on the theoretical framework, the purpose of the study, and the research questions. All these research components served as a guide for me to clearly identify what I would have to ask the participants.

In particular, I paid more attention to the theoretical framework because, as Merriam (2009, p. 83) described, “Theoretical framework of a study, that is, the underlying structure upon which all other aspects of the study rest.” I made sure that the framework I selected, which was a combination of the nexus model, motivational theory, and human capital theory, would align with the purpose of study and the research questions. According to Merriam (2009, p. 67), “the framework of your study will draw upon the concepts, terms, definitions, models, and theories of a particular literature base and disciplinary orientation. Eventually, the framework will generate the ‘problem’ of the study, specific research questions, data collection and analysis techniques, and how you will interpret your findings.” To begin my search to look for a framework that would work for my research study, I conducted an in-depth literature review of the recent empirical studies on college tuition and fees, student access, college persistence, higher education enrollment management and retention, financing higher education, student loans, student financial aid debts, and educational investment. From there, I narrowed down the potential theoretical frameworks based on their emphasis on finance and

financial impacts on college students. At the end of the process, I picked the nexus model, motivational theory, and human capital theory and combined them into one framework, because they all focused on the financial aspects of college access and persistence, which were perfectly aligned with my purpose of study—a segment that I will discuss in detail in the next section. More importantly, the combined framework helped me to develop and refine my research questions; it cleared my vision as to what I would have to ask the participants. Schultz (1988) observed that:

Any research problem may be approached from more than one theoretical perspective... The choice of a theoretical model/conceptual framework... will guide the research process in terms of identification of relevant concepts/constructs, definition of key variables, specific questions to be investigated, selection of a research design, choice of a sample and sampling procedures, data collection strategies... data analysis techniques, and interpretation of findings. (p. 34)

By using the “crosswalk” table, I could clearly validate whether my interview questions would yield information for my research questions and would align with my theoretical framework. The crosswalk table that I developed (see Appendix C) consisted of the three research questions and the key concepts of my theoretical framework, which are listed on top of the table as headings; and a set of questions are listed on the left hand side of the table as interview questions. If an interview question could yield an answer for a specific heading, a check would be marked within the cell under that specific heading of the table. Hence, the more checks identified inside the table, the higher the possibility that the interview questions would yield good results for the research

questions and would also be aligned with the theoretical framework. In essence, the crosswalk table provided an “at-a-glance” visual display of the alignment of the important aspects of the research and it is a form of data displays. According to the *American Psychological Association (APA) publication manual 6<sup>th</sup> manual* (2010), a table display can serve several purposes:

Exploration: the data contain a message, and you would like to learn what it is.

Communication: you have discovered the meaning contained in the data and want

to tell others about it. Calculation: the display allows you to estimate some

statistic or function of the data. Storage: you can store data in a display for

retrieval later, including the results of a study for later use in a meta-analysis

(historically, this role has been fulfilled by tables, but figures sometimes serve this

purpose more efficiently). Decoration: data displays attract attention, and you may

choose to use them to make your manuscript more visually appealing (as in

newspapers and other media reports). (p. 125–126)

In sum, the whole alignment process was an on-going revision, there were a lot of back-and-forth modifications and adjustments to make the three corner stones—the theoretical framework, the purpose of the study, and the research questions—fit into the research foundation.

### **Description of Site**

The University of Hawai‘i (UH) served as the research site for this study.

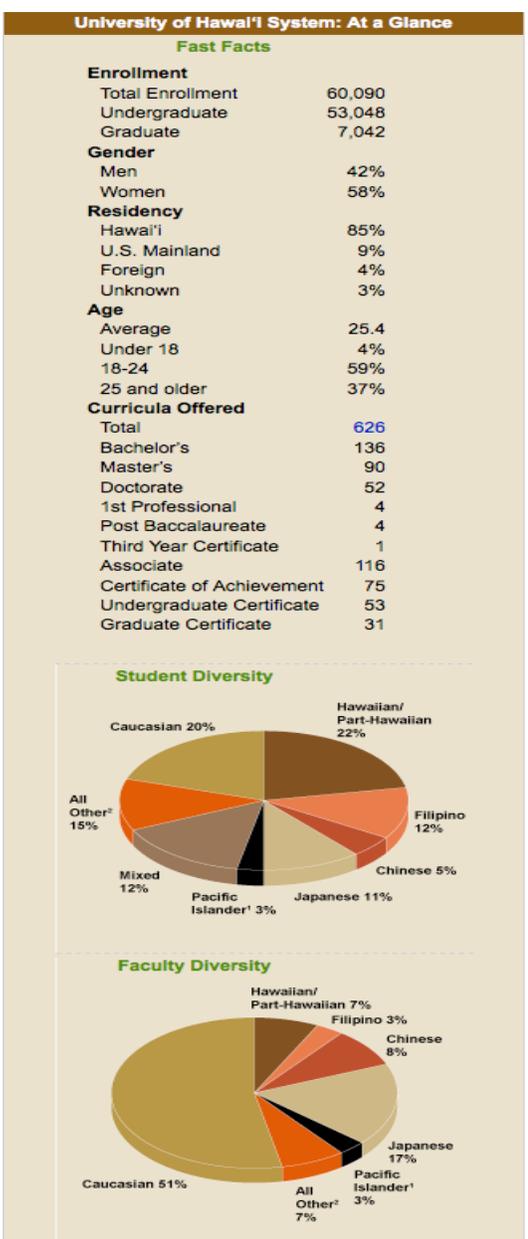
Founded in 1907, the University of Hawai‘i System (UHS) includes three universities, six community colleges, and one college community-based learning centers across Hawai‘i.

As the state’s public system of higher education, UH offers opportunities as unique and

diverse as our island home. These institutions currently include a research university in Mānoa, offering a comprehensive array of undergraduate, graduate, and professional degrees through the doctoral level, including law and medicine (University of Hawai‘i website, 2011, November). A comprehensive, primarily baccalaureate institution in Hilo offers professional programs based on a liberal arts foundation and selected graduate degrees. An upper division institution in West O‘ahu, offers liberal arts and selected professional studies. A system of seven open-door community colleges spread across the islands of Kaua‘i, O‘ahu, Maui, and Hawai‘i offer quality liberal arts and workforce programs. According to UHS’s Institutional Research & Analysis Office Report (2011), UH enrolls a total of 60,330 students with the following distribution of students: UH Mānoa 20,429, UH Hilo 4,139, UH West O‘ahu 1,662, and UH Community Colleges 34,100. This configuration of campuses evolved to meet the educational needs of Hawai‘i’s communities. Figure 3.1 illustrates UHS’s student and faculty characteristics at-a-glance in Fall 2010. Tables 3.1, 3.2, and 3.3 show the characteristics of all students of the ten UH campuses in Fall 2011.

Figure 3.1

*Student and Faculty Characteristics of University of Hawai'i Ten Campuses in Fall 2010*



Figures from the Institutional Research Office MAPS and Office of Human Resources, Fall 2010 and Fall 2009 for Student:Faculty Ratio.

Note. Copyright by the University of Hawai'i 2011.

Table 3.1

*Student Characteristics of University of Hawai'i Ten Campuses*

**SELECTED STUDENT CHARACTERISTICS, BY UNIT  
UNIVERSITY OF HAWAII  
FALL 2011  
ALL ETHNICITIES  
ALL MAJORS**

	UH SYSTEM	UNIVERSITY OF HAWAII AT MANOA	UNIVERSITY OF HAWAII AT HILO	UNIVERSITY OF HAWAII - WEST O'AHU	UNIVERSITY OF HAWAII, COMMUNITY COLLEGES
<b>TOTAL</b>	60,330	20,429	4,139	1,662	34,100
<b>EDUCATIONAL LEVEL</b>					
Undergraduate	47,681	14,344	3,487	1,635	28,215
Classified	45,117	14,054	3,385	1,600	26,078
Lower Division	32,619	4,922	1,345	310	20,042
Freshmen	18,740	2,412	722	175	15,431
Sophomores	13,879	2,510	623	135	10,611
Upper Division	12,498	9,132	2,040	1,290	36
Juniors	5,061	3,703	881	466	11
Seniors	7,437	5,429	1,159	824	25
Unclassified	2,564	290	102	35	2,137
Graduate	6,637	6,027	610		
Classified	6,055	5,475	580		
Post Baccalaureate	61		61		
Grad Special / Grad Certificates	68	61	7		
Masters	3,176	3,027	149		
Doctoral	1,645	1,635	10		
First-Professional	1,105	752	353		
Unclassified	582	552	30		
Home-Based at Other UH Campus	6,012	58	42	27	5,885
<b>GENDER</b>					
Men	25,734	9,122	1,675	526	14,411
Women	34,277	11,264	2,440	1,135	19,438
No Data	319	43	24	1	251
<b>PERMANENT HOME ADDRESS</b>					
Hawai'i	51,266	14,507	2,926	1,607	32,226
O'ahu	35,900	12,395	534	1,392	21,579
East Honolulu	1,866	938	32	7	889
Honolulu	13,240	5,624	146	214	7,256
Leeward	15,269	4,074	241	1,053	9,901
Windward	5,525	1,759	115	118	3,533
Hawai'i	7,217	851	2,120	47	4,199
Kaua'i	2,445	435	86	51	1,873
Maui County	5,704	826	186	117	4,575
Lana'i	104	23	10	1	70
Maui	5,197	788	153	102	4,174
Moloka'i	403	35	23	14	331
Other than Hawai'i	8,194	5,708	1,145	50	1,291
U.S. Mainland	5,339	3,924	780	43	592
U.S. Military Overseas	39	33	1		5
U.S. Related Areas	614	362	186	1	65
Foreign	2,202	1,389	178	6	629
No Data	870	214	68	5	583
<b>TUITION STATUS</b>					
Resident	49,191	13,825	2,896	1,503	30,967
Resident	48,453	13,488	2,845	1,496	30,644
Converted Resident	738	357	51	7	323
Non-Resident	11,139	6,604	1,243	159	3,133
Not Exempted	5,333	3,016	565	46	1,706
Non-Resident	5,304	3,003	565	39	1,697
No Information (Non- Resident)	29	13		7	9

ENROLLMENT TABLE 4 - SELECTED STUDENT CHARACTERISTICS, BY UNIT UNIVERSITY OF HAWAII  
FALL 2011 - ALL ETHNICITIES - ALL MAJORS

*Note.* Fall 2011 Enrollment table. Selected student characteristics. All ethnicities and all majors.  
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Table 3.2

*Student Characteristics of University of Hawai'i Ten Campuses (Cont'd)*

	UH SYSTEM	UNIVERSITY OF HAWAII AT MANOA	UNIVERSITY OF HAWAII AT HILO	UNIVERSITY OF HAWAII - WEST O'AHU	UNIVERSITY OF HAWAII COMMUNITY COLLEGES
Rev. Institutional Exempt	552	219	188	7	158
Western Undergrad Exchange	2,345	1,952	314		79
Exempted	2,909	1,417	196	106	1,190
N/R East West Center Exemption	244	229	13	1	1
N/R Faculty/Staff Exemption	256	214	14	3	25
N/R HI Nat'l Guard & Resv Exempt 5/	92	44	4	6	38
N/R Hawaiian Exemption	541	181	35	20	305
N/R Institutional Exemption	38	18	17		3
N/R Military Exemption	1,275	373	9	76	817
N/R Pac-Asian Exempt	97	97			
N/R Student Exchg Exempt	323	218	104		1
N/R DOE Teacher Exemption	43	43			
<b>AGE</b>					
Average Age	25.5	25.2	24.6	28.9	25.8
Less than 18 years	2,420	456	137	34	1,793
18 to 19 years	12,466	3,698	806	190	7,772
20 to 21 years	11,902	4,273	979	197	6,453
22 to 24 years	11,141	4,504	904	326	5,407
25 to 29 years	9,416	3,557	634	332	4,893
30 to 34 years	4,966	1,670	263	199	2,834
35 to 59 years	7,524	2,167	389	360	4,608
60 and over	492	103	27	24	338
No Data 6/	3	1			2
<b>CITIZENSHIP TYPE</b>					
U.S. Citizen 7/	54,739	18,157	3,702	1,597	31,283
Undergraduate	43,673	13,269	3,087	1,571	25,746
Graduate	5,404	4,831	573		
Home-Based at Other UH Campus	5,662	57	42	26	5,537
U.S. National or CFAS Citizen 8/	646	215	157	12	262
Undergraduate	558	154	155	12	237
Graduate	63	61	2		
Home-Based at Other UH Campus	25				25
Resident Alien	2,382	628	77	44	1,633
Undergraduate	1,931	436	55	44	1,396
Graduate	213	191	22		
Home-Based at Other UH Campus	238	1			237
Non-Resident Alien	2,384	1,407	187	8	782
Undergraduate	1,352	468	175	7	702
Graduate	951	939	12		
Home-Based at Other UH Campus	81			1	80
No Data	179	22	16	1	140
Undergraduate	167	17	15	1	134
Home-Based at Other UH Campus	6				6
Graduate	6	5	1		
<b>ATTENDANCE STATUS</b>					
Full-Time Status	31,293	14,693	3,282	500	12,818
Part-Time Status	29,037	5,736	857	1,162	21,282
<b>TOTAL SSH TAKEN</b>					
Total SSH Taken	592,461.0	234,919.5	52,400.0	13,655.0	291,486.5
Full-Time	425,572.5	203,925.5	47,359.0	6,677.0	167,611.0
Part-Time	166,888.5	30,994.0	5,041.0	6,978.0	123,875.5
<b>AVERAGE SSH</b>					
Average SSH	9.8	11.5	12.7	8.2	8.5
Full-Time	13.6	13.9	14.4	13.4	13.1

ENROLLMENT TABLE 4 - SELECTED STUDENT CHARACTERISTICS, BY UNIT UNIVERSITY OF HAWAII  
FALL 2011 - ALL ETHNICITIES - ALL MAJORS

Note. Fall 2011 Enrollment table. Selected student characteristics. All ethnicities and all majors.  
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Table 3.3

*Student Characteristics of University of Hawai'i Ten Campuses (Cont'd)*

	UH SYSTEM	UNIVERSITY OF HAWAII AT MANOA	UNIVERSITY OF HAWAII AT HILO	UNIVERSITY OF HAWAII - WEST O'AHU	UNIVERSITY OF HAWAII COMMUNITY COLLEGES
Part-Time	5.7	5.4	5.9	6.0	5.8
<b>REGISTRATION STATUS</b>					
First-Time 9/	11,613	3,690	660	130	7,133
Transfer	8,972	2,377	677	456	5,462
Returning	2,664	299	123	38	2,204
Continuing	37,081	14,063	2,679	1,038	19,301
<b>ETHNICITY</b>					
Asian / Pacific Islander	38,474	11,925	2,290	1,147	23,112
Asian	22,846	8,522	1,063	682	12,579
Chinese	2,764	1,446	103	35	1,180
Filipino	7,570	1,640	257	308	5,365
Asian Indian	251	128	13	2	108
Japanese	5,984	2,571	356	185	2,872
Korean	1,427	688	68	24	647
Laotian	83	23		4	56
Mixed Asian	3,652	1,480	194	107	1,871
Other Asian	461	256	31	8	166
Thai	110	48	4	2	56
Vietnamese	544	242	37	7	258
Hawaiian or Pacific Islander	15,628	3,403	1,227	465	10,533
Guamanian or Chamorro	129	63	7		59
Native Hawaiian or Part-Hawn	14,012	2,866	1,011	426	9,709
Micronesian (not GC)	351	69	81	6	195
Mixed Pacific Islander	92	26	6	4	56
Pacific Islander	277	67	30	5	175
Samoa	651	288	82	21	260
Tongan	116	24	10	3	79
Hispanic	1,128	387	84	24	633
Caucasian	11,827	5,135	1,143	237	5,312
African American or Black	850	276	50	25	499
Amer Indian or Alaskan Native	256	77	29	7	143
Mixed Race (2 or more)	7,428	2,550	528	218	4,132
No Data	367	79	15	4	269
<b>ENTERING STUDENTS</b>					
Total	23,249	6,366	1,460	624	14,799
Undergraduate	18,400	4,377	1,262	614	12,147
First-Time Students: Freshmen	8,510	2,010	471	122	5,907
First-Time Students: Other Undergraduates	1,025	141	40	4	840
Returning	2,419	119	105	38	2,157
Transfer	6,446	2,107	646	450	3,243
Graduate	2,132	1,959	173		
Home-Based at Other UH Campus	2,717	30	25	10	2,652
<b>HAWAIIAN ANCESTRY</b>					
Total	14,596	3,004	1,034	437	10,121
Undergraduate	12,238	2,253	926	429	8,630
Graduate	829	734	95		
Home-Based at Other UH Campus	1,529	17	13	8	1,491

## Footnotes:

- 1/ Full-time attendance status is defined for undergraduates as those taking 12 or more semester hours; full-time graduate students are defined as those taking 8 or more semester hours.
- 2/ Effective Fall 2010, ethnicity subcategories of Caucasian and Hispanic are not provided due to changes in federal ethnicity collection guidelines.
- 3/ Hawaiian Ancestry headcount refers to the sum of students who self-reported Hawaiian ancestry on the UH System Application form and those who either did not answer the ancestry question or answered in the negative but who indicated Hawaiian ethnicity.
- 4/ Entering students are defined as those with registration status of first-time, transfer or returning.
- 5/ New residency code for Hawaii National Guard reservists, effective Spring 2007; students pay resident tuition.
- 6/ For Age, "No Data" includes records with age less than 14.
- 7/ U.S. Citizens includes persons born in the 50 States, naturalized citizens and persons born in Guam, Puerto Rico, the Virgin Islands and the Commonwealth of the Northern Marianas (after 1986).
- 8/ U.S. Nationals includes American Samoa and Swains Island. CFAS Citizens includes the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.
- 9/ First-time undergraduates to UH West O'ahu; includes first-time freshmen and students who are home-based at other UH campuses.

**ENROLLMENT TABLE 4 - SELECTED STUDENT CHARACTERISTICS, BY UNIT UNIVERSITY OF HAWAII  
FALL 2011 - ALL ETHNICITIES - ALL MAJORS**

Note. Fall 2011 Enrollment table. Selected student characteristics. All ethnicities and all majors.  
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## **Research Design**

This study used a qualitative approach. An underlying assumption in this study was that because of the high cost of education, students rely heavily on student loans to gain access and persistence in college. As a result, there are debt implications for students during and after college. Qualitative research generates data in words rather than statistics and numbers. The data is full of in-depth and rich verbal descriptions of the phenomena. While there are different qualitative techniques that can be used to provide verbal descriptions, the goal of each is to capture the richness and complexity of behavior that occurs in natural settings from the participants' perspective. Once collected, the data are analyzed inductively to generate findings (McMillan and Schumacher, 1989).

## **Data Collection**

This research study utilized case study to answer the three research questions; in particular, focus was placed on the second question regarding debt implications for students—"What are the debt implications on students and their families during and after college?" According to Merriam and Associates (2002), case study is an intensive description and analysis of a phenomenon or social unit such as an individual, group, institution, or community. As case study is a vehicle for an in-depth description and analysis of a phenomenon, the process of conducting the research needed to be carefully designed and the execution was a complex, time-consuming, and a rewarding journey. Hence, the target number of participants for this study needed to be manageable for the researcher and the target number of contacts needed to be large enough to harvest a decent sampling that was statistically significant. Fifteen was the target sampling size in the study. To accomplish this goal, a request was made to the University of Hawai'i

Office of Research Compliance Human Studies program to acquire official permission to conduct research with human participants at the University of Hawai‘i (see Appendix D for the application for new approval of a study involving human subjects and Appendix E for the approval letter from the University of Hawai‘i Human Studies Program).

Furthermore, purposeful and snowball samplings were employed. University of Hawai‘i’s financial aid offices were approached to discuss logistics for harvesting from the target population. A recruitment flyer detailing the purpose, process, and expectations of the research study was used for recruitment of the participants (see Appendix F).

Merriam (1998) stated that “purposeful sampling is based on the assumption that the investigator wants to discover, understand, and gain insight and therefore must select a sample from which the most can be learned” (p. 61). Hence, sampling criteria was established to account for the variables, e.g., gender, age, ethnicity, school type, socio-economic status, highest college attainment, etc. that are most directly linked to the purpose of the study. Creswell (2007) defines this approach as determining selection criteria that differentiates the sites or participants in advance and then choosing sites or participants that are different and diverse based on the criteria. In addition, a snowball sampling method was employed to meet the target sampling size. Snowball sampling is perhaps the most common form of purposeful sampling. This strategy involves asking each participant or group of participants to refer you to other participants (Merriam, 1998, p. 62-3).

The attributes of my participants consisted of 1) direct and indirect experience in any student financial aid programs in the past ten years, 2) age 18 or older; a current UH

student or UH graduate from one of the ten University of Hawai‘i campuses, and 3) a willingness to participate in the study.

### **Procedures**

I incorporated several procedural protocols vital in qualitative research: 1) built rapport with participant, 2) provided clear and concise communication tools to participants, and 3) conducted the interviews and documented any relevant information.

Building rapport and trust with my participants were the first and foremost steps that I took at the procedure stage. I acknowledged that the relationship I would endeavor to cultivate with the participants in my study would be a complex and rewarding one. I understood that as the researcher of the study, I was the instrument of the research, and the research relationships that I established with the participants were key means by which the research would be done with quality. These relationships had an effect not only on the participants in my study, but also on me and other aspects of the research design. Hence, I promoted a professional working research partnership with my participants throughout the research period, the participants and I took professional ownership of the study. My ultimate goal was to make participants feel that the research study was a worthwhile experience for them individually and for the community at large—if new knowledge could be generated from the research study. As stated by Weiss (1944):

What is essential in interviewing is to maintain a working research partnership.

You can get away with phrasing questions awkwardly and with a variety of other errors that will make you wince when you listen to the tape later. What you can't

get away with its failure to work with the respondent as a partner in the production of useful material. (p. 119)

Providing clear and concise communication tools to participants was the second procedural protocol that I needed to execute. It is fair to say that what was a research project for me as the researcher was always, to some degree, an intrusion into the lives of the participants in my study. They were all volunteers who took directions from the researchers. Thus, the more information that I provided to the participants as to what they would need to do in the study, the better the results I would yield from their sharing. A consent form (see Appendix A) detailing the purpose, timeline, and scope of work of the study was provided to the participants prior to the actual interview, so surprises, questions, and awkward moments were cut down to the minimal. Designed by Creswell (1998), the consent form that participants completed in this study addressed the following:

- The participant's right to voluntarily withdraw from the study at any time.
- The central purpose of the study and the procedures to be used in data collection.
- Comments about protecting the confidentiality of the respondents.
- A statement about known risks associated with participation in the study.
- The expected benefits to accrue to the participants in the study.
- A place for participant and researcher to sign and date the form.

Conducting the interviews and documenting information from participants was the third important procedure that I paid extra attention to. As my final participant count was nine, I spent a lot of time on pre- and post-interview communications with my

participants via phone and email. I developed an interview protocol and constructed a set of open-ended and guided interview questions for the participants (see Appendix B). The advantage of using an open-ended question is it explores a participant's deep and first-hand knowledge about the research subject. In addition, open-ended questions allow the interviewer and interviewee to focus on life experience, which is an in-depth and intimate discussion beyond what ordinary conversation permits. Note taking, voice recording, and observations were the primary tools to document the interviews in this study. It took me one to two hours long to conduct each interview as to gather in-depth information. The interviews were conducted at various locations, which were convenient to the participants. A table (see Appendix C) listing all the interview questions, research questions, and the theoretical framework was used as a guide for the interviews.

### **Data Analysis**

To analyze the quantitative data, I reviewed all interview transcripts, observational notes, and documents, and searched for themes to provide answers to the three research questions. Qualitative data analysis, Creswell (1998) posits, is not off-the-shelf; rather, it is custom-built, revised, and "choreographed. The initial step in qualitative analysis is reading the interview transcripts, observational notes, or documents that are to be analyzed (Emerson et al., 1995, p. 142-143). To initiate the data analysis process, I listened to interview tapes prior to transcription to get a general idea of the data. I wrote notes and memos on what I saw or heard in my data and developed tentative ideas about categories and relationships. The actual transcribing was done via a third party individual. I verified the accuracy of the transcription by listening to the audiotapes to ensure the data was transcribed verbatim and properly. I also conducted member

checks with the participants to ensure authenticity. I provided opportunities for the participants to review and edit the transcripts to ensure the accuracy of their stories and input. Once the transcriptions were carefully checked and verified, the information was analyzed and dissected into preliminary categories and groups by hand, which was indeed a lengthy but worthwhile process for me. I developed organizational categories and theoretical categories because this process allowed me to better strategize and organize my information on hand. With the significant amount of data to digest and to handle, I found that it was a wise approach to code and note the data precisely so that useful information could be captured in explicit categories. Creswell (1998) stated that multiple perspectives exist regarding the importance of verification in qualitative research, the definition of it, and procedures for establishing it. Writers search for and find qualitative equivalents that parallel traditional quantitative approaches to validity (Creswell, 1989). In short, my research data was categorized and grouped, and they were illustrated in either a table or a diagram format to more easily visualize data relationships, search for themes, cross-reference themes, and create a template.

### **Standards of Quality and Credibility**

From my experience working in a research unit in the College of Education for the past eight years and studying quantitative and qualitative research in the graduate school since 2005, I strongly believe that having the standards of quality and credibility are important factors that contribute to the success of the research process and outcomes. How do I know that I am employing quality research procedures and methodology to get it right? I learned from Creswell (1998, p. 193) that “qualitative researchers strive for ‘understanding,’ that thick and deep structure of knowledge that comes from visiting

personally with informants, spending extensive time in the field, and probing to obtain detailed meanings.” Furthermore, Lincoln and Guba (1985) also taught me the importance of triangulating the data by including multiple sources of data collection; gathering thick, rich descriptions; and conducting member checks to uphold standards of quality and credibility in qualitative research. In addition, Creswell (1998) stated that multiple perspectives exist regarding the importance of verification in qualitative research, the definition of it, and procedures for establishing it. Creswell (1989) suggested that writers search for and find qualitative equivalents that parallel traditional quantitative approaches to validity. Hence, I attempted to work like a detective to look for and compile bits and pieces of evidence to formulate a “compelling whole” in this study.

On the other hand, Lincoln and Guba (1985, p. 300) use the terms “credibility,” “transferability,” “dependability,” and “confirmability” as the “naturalist’s equivalents” for “internal validity,” “external validity,” and “reliability” when describing the standards of quality in qualitative research and quantitative research. Lincoln and Guba (1985) also propose that:

Techniques such as engagement in the field and the triangulation of data of sources, methods, and investigators [are used] to establish credibility. To make sure that the findings are transferable between the researcher and those being studied, thick description is necessary. Rather than reliability, one seeks dependability that the results will be subject to change and instability. The naturalistic researcher looks to confirmability rather than objectivity in establishing the value of the data. Both dependability and confirmability are established through an auditing of the research process. (p. 301)

Howe and Eisenhardt (1990) suggest that only broad, abstract standards are possible for qualitative and quantitative research. Nevertheless, Howe and Eisenhardt (1990, as cited in Creswell, 1998) provided five standards be applied to all research for quality measurement—benchmarks that I employed throughout my study to ensure quality and credibility of this research:

First, they assess a study in terms of whether the research questions drive the data collection and analysis rather than the reverse being the case. Second, they examine the extent to which the data collection and analysis techniques are competently applied in technical sense. Third, they ask whether the researcher's assumptions are made explicit, such as the researcher's own subjectivity. Fourth, they wonder whether the study has overall warrant, such as whether it is robust, uses respected theoretical explanations, and discusses disconfirmed theoretical explanations. Fifth, the study must have "value" both in informing and improving practice (the "So what?" question) and in protecting confidentiality, privacy, and truth telling of participants (the ethical question). (p. 195)

### **Role of the Researcher**

As the researcher of this qualitative study, I understand that I was the instrument to collect, gather, analyze, digest, and seek for a deeper meaning in the research subject. Like with all qualitative studies, I was heavily involved in the research process. I could have developed subjective views towards certain procedures and individuals during my study, which, in theory, would have created more mistakes. Thus, it was important to me that I handle this research subject with care, by implementing standards of quality checks throughout the research, as well as representing the participants with integrity and

authenticity. To understand the role of a researcher, I first had to reflect on and acknowledge the relevant aspects of my life that were related to the research study. The relevant aspects included, but were not limited, to my background history, biases, assumptions, limitations, and expectations in this qualitative research study. To accomplish this goal, I recorded and kept track of my personal reactions towards the research activities and participants in a journal throughout the research period. My aim was to create a channel for self-reflection and to provide standards of quality for assurance throughout this study. As a start to my self-reflection, I used the following segment to reflect on who I am as a researcher.

“Pearl of the Orient” is how people describe Hong Kong, the place where I was born and raised. Growing up in a traditional Chinese family, I learned firsthand about gender difference and inequality at a very young age. Aside from my parents, I have five siblings which include four sisters and one brother; I am the second oldest. My mother told me that because my father was the only son in his family, they had to bear the obligation to produce a son and keep the family name going. So, despite her fear of bearing and raising a big family, she went along with the order—an unwritten law from the Chinese society and a constant pressure from my grandparents. I remember asking myself how could my parents not have the right to live their lives and determine whether or not they needed a son. I wondered why a son was superior to a daughter. I wondered whether the pressure that my grandparents imposed on my parents was right or wrong. I wondered whether my mother would have gone to college or even had her career had she not spent thirteen years spinning in-and-out of the hospitals to give birth to the six of us. My inquiries to the uncertainty and unknown, my curiosity to seek for answers, and my

interest in getting a deeper understanding of matters have extended to my adult life. In general, my childhood was pretty normal. My father was a manager at a well-known soft drink company and my mother was a homemaker. Growing up in a middle class family, there was never a shortage of basic needs around the house. We were sent to a subsidized school (like a charter school in the United States), and my father was a strict disciplinarian; he used to create house rules and framed them on the walls of our house as reminders to us. My father would encourage us to compete with our grades, especially the three oldest daughters, and he would present monetary gifts to the one who got the highest grade in a term. Hence, I was very competitive. Getting good grades and helping around the house was my way of pleasing my parents. I did not care so much about the gift.

After high school, I followed my sister and went abroad to study to a place people called “Paradise”—Hawai‘i. This is the period of time when I struggled to set free the part of my personality that wrestles with exploration and making my own choices. The word “study” was never in my dictionary. I was lucky enough to finish my undergraduate degree in three years, even though my grades were not so impressive which is a big contrast to my graduate study.

After college, being a foreign student, I was determined to use my competitive nature and ability to find a job and stay in the United States. I landed a job serving as the admissions advisor in a small local college, and through eight years of determination and hard work, I was promoted five times and climbed up to the second-in-charge position as the senior vice president of admissions, marketing, and career placement where I gained tremendous experience and knowledge in student affairs. I suppose it was the prime time

of my career, but I also felt bored and unchallenged during the last year in my position. I had an urge to change my routine. I knew that I was thirsty for more knowledge, for something new and exciting. During that time, I was working on program development for a couple of medical assisting programs, and naturally I started to pay attention to and build interest in science and medicine. I took the leap of faith, resigned from my company, and enrolled myself in a pre-medicine program. For one-and-half years I studied hard and received good grades, but I never felt the path I chose could turn into a career for me. Without much regret, I left the program and went back to work in another higher education institution—the University of Hawai‘i at Mānoa (UHM). UHM was a place I saw as a training ground, a place where I could strengthen my personal and professional foundations, a place where I have been studying educational administration and working as an administrator in a research unit for more than eight years. I have always had a passion for higher education, and the subjects of access, persistence, and financing in higher education are dear to my heart. I have read journals and literature; plus, I have heard enough stories directly from my former students, colleagues, and American friends about their experiences in dealing with those issues. With my heavy involvement in American higher education over the past eighteen years, and as a beneficiary of a free education throughout my life (my undergraduate tuition and fees were paid by my parents and my graduate study has been paid by my employer), I often wonder what if I had never received my parents and employer’s support; would I still have had the opportunity and privilege to study in the United States? Would I have needed to borrow loans to gain access to college? Would the loan-debt implications have affected my studies and personal life?

Surely, I believe that my family background, my studies, and my work have prepared me to be sensitive to the educational issues that exist around the globe. My cross-cultural background has also taught me to listen to a diverse group of individuals carefully, attentively, and objectively. I have built a genuine interest in and understanding of the importance of doing things right and learned to respect the voice and opinions of others. Furthermore, because my study and work emphasize the value of quality data and information, I have been trained to pay careful attention to details. I always document, record, archive, analyze, and interpret data with a comprehensive thought and plan of action. These are all attributes that I brought to this research study. Based on my experience of writing this section, I realized and validated that self-reflection in a research project, if not vital, was absolutely critical to a researcher.

### **Limitations of the Study**

Inevitably, there were limitations in this study. First, I could have been biased as a new and inexperienced researcher. Second, as I was the sole researcher of this dissertation research study, I was limited by time and resources available during my research period, which was set for one year. Third, the research institution was limited to the University of Hawai‘i, hence, the case study only reflected the voices of students in Hawai‘i.

Because the focus of the study was on finance, it was difficult to get a representative sample of subjects, as money is often a sensitive topic. There was uncertainty in terms of getting the targeted number of interviewees, getting fifteen participants was the initial goal, but final participant count in this qualitative study was nine. I knew that getting a higher final participant count and securing the qualified

candidates would all depend on whether or not I would gain a full support from the UH financial aid offices, as well as getting successful referrals from other sources. In other words, I was limited to what the results would yield from the recruitment or snowballing process. Nevertheless, when I came across a statement from Merriam, she helped me to settle with the final nine participants who remained in the study for the entire research duration. Merriam (1998) stated that:

Invariably, the question of how many people to interview, how many sites to visit, or how many documents to read concerns—more likely haunts—the novice qualitative researcher. Unfortunately for those with a low tolerance for ambiguity, there is no answer. (p. 64)

During the recruitment process, I encountered difficulties in getting commitment from potential participants. I was told that my research topic was too sensitive and personal for many individuals, as people did not feel comfortable of talking about their personal issues and problems. Hence, for those who signed up for this study were the passionate ones who felt that my topic was meaningful to them personally and they saw a value for their stories to be heard in the community for educational purpose. In essence, I was limited by many variables that a new researcher was not able to plan for, predict, and prevent in this study.

## CHAPTER IV

### FINDINGS

This chapter consists of three sections; part one describes the participants' demographic information and illustrates a brief profile for each of them. Part two reveals the participants' perspectives on the combined theoretical framework of nexus model, motivational theory, and human capital theory. Part three illustrates the five emerging themes and the research findings generated from corresponding data. The broad themes are 1) higher education is costly in America, 2) students are heavily reliant on financial aid, and in particular, loans as a means of gaining access to and persist in college, 3) there is no in-depth advising assistance for students applying for financial aid, 4) a debt burden is placed on some students during college, and 5) students carry a heavy debt burdens after college.

#### **Part I: Participant Demographics and Overview**

I interviewed a total of nine participants from March 2012 to May of 2012. The interviews took place at a variety of locations off campus, which were convenient to the participants and the researcher and in environments that were conducive to voice recording. The participants are all students and graduates from the University of Hawai'i System (UH). These participants were identified through purposeful sampling and snowball sampling strategies or through responses to invitations to participate extended by some financial aid officers and professors at UH. Among the nine participants, two enrolled at the Leeward Community College (LCC), two enrolled at the Kapi'olani Community College (KCC), and five enrolled at the University of Hawai'i at Mānoa (UHM). The participants' ages ranged from twenty-three (23) to forty (40) and there

were five females and four males. Marital statuses included single, separated, divorced, and married. The racial and ethnic backgrounds of the participants' were identified and described by them; they consisted of Japanese and Caucasian; Chinese; Hawaiian, Spanish, Chinese, Filipino, and Portuguese; Caucasian; Korean and Japanese; and Irish, German, and American Indian. Major of study included Accounting, Information Technology, Business, Music, Management Information Systems, Second Language Studies, English, and Curriculum Studies. Highest educational attained included high school, associate's degree, bachelor's degree, master's degree, and doctoral degree. Financial aid loan amounts ranged from \$0 to \$84,000. Data were collected through in-depth and open-ended interviews. The central purpose of the interviews was to engage in dialogue with the nine participants to elicit their descriptions, perceptions, and experiences in American higher education, and in particular, their viewpoints on cost, affordability, and financial aid assistance programs, and their satisfaction level towards their investment in education. Table 4.1 (listed on next page) provides a visual of the participants' diverse backgrounds and demographics. To increase anonymity, I requested the participants provide me with their pseudonym names and I also created a numbering system to easily identify and label them. For instance, the first UH community college student's pseudonym name is "Molly" and I labeled her as "C1." The second community college student's pseudonym name is "Bob" and I labeled him as "C2." Same labeling system applied to the UHM students. The first UHM participant's pseudonym name is "Evan" and I labeled him as "U1;" and the second UHM student's pseudonym name is "Randy," and I labeled him as "U2." Table 4.2 (listed on page 73) is a summary of the nine participants' pseudonym names and numbers.

Table 4.1

*Participants Demographic Data*

Pseudonym Name	Gender	Age	Marital Status	Dependent	Racial and Ethnic backgrounds (Participants' Personal Identification)	University of Hawai'i	Highest Educational Attainment	Major of Study	Years enrolled in, including the in-and-out-time, from Higher Education	Loan Amount	Parents went to college	Work while go to school
1. Molly	Female	38	Separated	4	Japanese and Caucasian	Kapi'olani Community College (KCC)	High School	Liberal Arts/Accounting	18 (in and out) Attended three different business and community colleges	\$3,500	No	30 hours per week
2. Bob	Male	23	Single	0	Chinese	Kapi'olani Community College (KCC)	High School	Information Technology	5 (in and out) Attended one community college and one 4-year college	0	No	25-40 hours per week
3. Macy	Female	26	Single	0	Hawaiian, Spanish, Chinese, Filipino, and Portuguese	Leeward Community College (LCC)	Associate's Degree	Liberal Arts/Business	7 (in and out) Attended two community colleges	\$3,156	Yes	Can't find a job
4. Trey	Male	26	Divorced	2	Polish and Portuguese	Leeward Community College (LCC)	High School	Liberal Arts	5 (in and out) Attended two community Colleges	\$18,000	Yes	16 hours a month
5. Evan	Male	28	Single	0	Caucasian	UH Mānoa (UHM)	Bachelor's Degree	Music	6 (Attended only one 4-year university)	\$10,000	Yes	15-20 hours per week
6. Randy	Male	25	Single	0	Caucasian	UH Mānoa (UHM)	Bachelor's Degree	Management Information Systems	4.5 (Attended only one 4-year university)	\$25,000	No	15-20 hours per week
7. Jasmine	Female	31	Married	1	Caucasian	UH Mānoa (UHM)	Master's Degree	Second Language Studies	13 (in and out) Attended two different community college and two different 4-year university	\$20,000	Yes	20 hours per week
8. English	Female	40	Single	0	Korean and Japanese	UH Mānoa (UHM)	Doctoral Degree	English	14 (in and out) Attended two different 4-year university	\$50,000	Yes	15-20 hours per week
9. Elizabeth	Female	33	Single	0	Irish, German, and American Indian	UH Mānoa (UHM)	Doctoral Degree	Curriculum Studies	12 (in and out) Attended two different 4-year university	\$84,000	No	40 hours per week

*Note.* Summary of the demographic information of the nine participants in this study.

Table 4.2

*Pseudonym Names and Numberings for the Nine Participants*

	<b>University of Hawai'i Campus</b>	<b>Pseudonym Names</b>	<b>Number Identifications</b>	<b>Gender</b>
1	UH Kapi'olani Community College (UHKCC)	Molly	C1	Female
2	UH Kapi'olani Community College (UHKCC)	Bob	C2	Male
3	UH Leeward Community College (UHLCC)	Macy	C3	Female
4	UH Leeward Community College (UHLCC)	Trey	C4	Male
5	UH Mānoa (UHM)	Evan	U1	Male
6	UH Mānoa (UHM)	Randy	U2	Male
7	UH Mānoa (UHM)	Jasmine	U3	Female
8	UH Mānoa (UHM)	English	U4	Female
9	UH Mānoa (UHM)	Elizabeth	U5	Female

*Note.* The nine participants' pseudonym names and numbers in this study.

**Kapi'olani Community College Student: Molly (C1)**

Molly is a thirty-eight-year-old female student currently enrolled at the Kapi'olani Community College (KCC). She is of Caucasian and Japanese descent. She is a single parent and has been separated from her husband who is currently serving a sentence in the prison. She has three sons and one daughter whose ages range from five to seventeen years and they are all her dependents. Molly works full-time as a manger at a sandwich store near her college. She describes herself as "from a broken family;" Molly was raised in a foster care home. She did not enroll in a college right after high school. Instead, she got married and entered into an abusive relationship, which she described as the "wrong paths in her life." At age nineteen, she first enrolled at a local business college, then dropped out because of too much partying and personal issues. Subsequently she reenrolled at the Leeward Community College (LCC) but could not persist and departed from college again. Molly went in and out of colleges for nearly two decades. She

applied to the Kapi‘olani Community College (KCC) a year ago and took remedial mathematics and computer courses totaling six credits per semester. She said:

I’m not going to do any more than that, and I know I can’t do any less than that in order to get financial aid.... I am trying to put the pieces back together.... I feel like...I feel pretty confident that I can do my work and stuff like that. I feel good, actually. It feels nice. (C1)

Molly received grants and scholarships to pay for tuition and fees last semester.

She shared:

If it [wasn’t] for financial aid, it wouldn’t be possible.... Honestly, I wouldn’t be going to school at all. They actually give you more than you need to go to school. I mean at a community college level...they actually end up giving me a refund check, which [helped] me with rent, childcare, and expenses, you know. (C1)

Hence, Molly intends to register for the following semester; her ultimate goal is to finish her Associate’s degree at KCC and then transfer to the University of Hawai‘i at Mānoa (UHM) to get her Bachelor’s degree in Accounting. At her current pace of enrollment, she is expecting to take a number of years and will require a lot of financial aid assistance to fulfill her dreams. Molly’s current financial aid debt is \$3,500 and her annual income is less than \$20,000. She indicated that she worked about thirty hours per week while she went to school. Molly’s parents did not attend any college and she had no financial support from her family.

**Kapi‘olani Community College Student: Bob (C2)**

Bob is a twenty-three-year-old male student who graduated from high school in 2006. He immediately enrolled at the University of Hawai‘i at Mānoa (UHM) right after

high school, but stayed there for only one semester, then dropped out. He said, “I was just completely burnt out [after] a while, I just went straight to work.” He stayed out of college for a year and then reenrolled at the Kapi‘olani Community College (KCC); he has been attending there since 2008, a total of four years by the end of this year 2012. When asked why he changed from a four-year university to a two-year college, he said, “[A] couple of my friends were already there, and I figured it might be easier for me to actually stay in school.” When I asked Bob why he has been at a two-year college for about four years and still has not graduated, Bob replied,

Well, part of the reason was because I was [kind of] jumping around majors [and] trying out different things. Like my first semester there was just kind of for me to settle in.... And then after that I tried the healthcare field [and I took] a whole bunch of health classes, science courses. And then I decided I may like art, I took a bunch of art classes, but they [weren't] for me.... And recently, I settled in IT [because] maybe I'll do something in IT. Maybe I'll get a better...regular part-time or full-time job, and from there I can figure out what I really want to do.

(C2)

Bob is the second generation of a Chinese of an immigrant family; his parents came from China. He is single and has no dependents. He regularly works twenty-five to forty hours a week at a retail clothing store in addition to attending college full-time. When asked why he works so many hours, he said, “Cause I need money to pay for school, to pay for like hobbies and stuff like that.” Bob has no financial aid debt because he has been able to use his paychecks to pay for his tuition and fees; his annual income is less than \$30,000. He said, “I’m [at] a community college, [and] it’s affordable. I think

my tuition at least for the upcoming semester is about what I was paying at Mānoa five years ago.” When asked to explain what “affordability” means to him, Bob said, “If I can pay for it [tuition and fees] with maybe one or two of my paychecks [in] the month, then that’s fine.” Bob’s parents did not attend any college, but are willing to pay for his tuition whenever he needs help. Bob recently took his parents offer.

**Leeward Community College Student: Macy (C3)**

Macy is a twenty-six-year-old “mixed race” female student. She is of Hawaiian, Spanish, Chinese, Portuguese, and Filipino descent. She was born and raised in Hawai‘i in a two-parents’ household and graduated from a prestigious private high school in Hawai‘i in 2004. Both of her parents went to college; her father earned a bachelor’s in business administration degree and her mother received her master’s degree in education. Macy’s parents encouraged her to pursue higher education right after high school.

Macy just graduated from the Leeward Community College (LCC) in Spring 2012. She waited seven years after high school to finish her associate in liberal arts degree. Macy’s current plan is to continue her education by enrolling at the University of Hawai‘i at Mānoa (UHM) to pursue her bachelor’s degree, but she is not certain how to finance it. Macy applied for college right after high school and her reason was, “During senior year, [I] had to apply to a college in order to graduate from high school.... It was a graduation requirement of my school.” When Macy first applied for college, she did not qualify for any grants because federal student financial aid considered her a dependent student. She was told that because she was under twenty-four, the federal student aid program had to use her parents’ income to calculate her eligibility. Macy sadly stated that:

When I first applied [for college], I didn't have any funds, and it's a difficult situation for me because my parents made it clear that they were not going to help me pay for college. They weren't going to fill out my papers; they weren't going to help me at all. (C3)

Under these circumstances, Macy knew that she was supposed to pay for college on her own, but she did not know how. Macy said:

The first time I applied [for] LCC, on top of their form it stated that 'Your tuition is due in full on the day you register and it made me really upset because there was no way I could pay my tuition in full on the first day of registration, so because of that, I didn't go; I pulled out. (C3)

Thereafter, Macy spent a couple of years working at various retail drug stores and department stores in an attempt to save enough money for school. Macy shared:

I just found out how difficult it was to even save any money because one you're on your own, you know, I thought I could be able to save.... And you start working, but all the money went to my living expenses, so I could not save for school. (C3)

Macy waited until age twenty-four so that she could qualify as an independent student for financial aid purposes, and then she reapplied to LCC where she took two years to finish her Associate Degree. She was able to get mostly grants and scholarships at LCC; her current loan is over \$3,000. Macy is single, has no dependents, and is currently unemployed with zero income.

**Leeward Community College Student: Trey (C4)**

Trey is a Polish and Portuguese student who enrolled at the Leeward Community College (LCC). He was born and raised in Rhode Island. He is twenty-six years old and is divorced with two young sons—a one year old and five year old. Trey’s father never went to college, but his mother received her associate’s degree in nursing. His parents valued education but were not able to assist him financially. Trey first enrolled at Catherine Gibbs, a two-year private for-profit college in 2006, right after high school; the college was nearby his house in Rhode Island. During that time, his ex-wife was also pregnant. Trey noted, “I needed a higher education to get a better job to provide for my child.” To finance his education, Trey applied for federal financial aid loans and accumulated \$18,000 debt when he dropped out after being enrolled for only nine months at his first college. Trey said, “I couldn’t afford it [college] anymore, because I was already too much in debt.” In 2007, he decided to join the military so that he would have a better income and intended to pay off his student loan debts. Trey shared, “I dropped out, and I joined the military and then I used the military money to pay off most of the debt.” Since Trey’s deployment to Hawai‘i, he re-enrolled at LCC in Spring 2012, but currently has no plans to register for the upcoming semester due to his financial burden.

Trey explained:

I thought that I was going to get a free ride from the G.I. bill [to attend college], but they only cover in-state tuition, so now, if I want to continue going to school next semester, I have to find a way to pay \$3,098 to LCC. (C4)

Trey’s current student loan debt is about \$10,000, and his dream to complete his associate’s degree has been dragging on for six years. He is currently working part-time

(16 hours a month) at the Hawai‘i National Guard and earns less than \$30,000 a year. He has been working since he was fourteen years old. When I asked Trey about his current financial situation, Trey said:

Uh, it’s pretty bad, because I don’t have anything right now. Like, we can’t even pay our rent.... I feel crappy because looking back, I think it [borrowing student aid loans] was the stupidest thing I ever did in my entire life. (C4)

#### **University of Hawai‘i at Mānoa Student: Evan (U1)**

Evan is a twenty-eight-year-old white male who is single and has no dependents. He graduated with a bachelor’s degree in music, with a major in classical percussion from the University of Hawai‘i at Mānoa (UHM) in 2008. Evan’s parents are educated; his father has a bachelor’s degree in structural engineering from Washington State University, and his mother earned a certificate in early childhood development from Montana State University.

Evan graduated from a Seattle public high school in 2002 and immediately enrolled at UHM the following year. During the college search, Evan applied to several schools and purposely selected schools that are out of his state, because he wanted to expand his circle of friends. He chose UHM in the end because he visited Hawai‘i when he was in senior high school and really fell in love with its environment and population diversity. Financing college was not Evan’s concern. He reported:

I always wanted to pursue a college education. I was very fortunate [in] the fact that my parents were hard working and very supportive both morally and financially. I am also [the] only child, so I didn’t have responsibilities to my other

siblings.... You know they were able to support me financially for the first several years of my college education. (U1)

When Evan first enrolled in college, his parents made sure that he stayed at a dormitory and had a meal plan, thus everything was arranged and taken care of for him. But one year after Evan started college, he had a reality check; he realized how costly everything was in Hawai‘i and how much money his parents were spending on him. Evan described:

You know, the dormitory is not cheap for shared living accommodations; the meal plan is not cheap at all. And to save money, I found [an] off campus apartment, and I started working more [hours] and taking less money from my family. My food went way down the college diet. I had saimin and Spam and stuff like that.... I [had] to live a more Spartan life, you know. (U1)

It took Evan six years to finish his bachelor’s degree. He started applying for student financial aid loans during his third year of study, but he always took the minimum amount so that he would have just enough to pay for tuition and fees—nothing else. Evan shared, “I was warned and counseled by my father who obviously wouldn’t co-sign something like that [a big loan amount].” Hence, Evan regularly worked twenty hours a week on campus while attending college full-time during the regular semester to save up money. In addition to earning a paycheck, Evan also applied for and received tuition waivers (by performing in the band) and scholarships (by having good academic performance). Evan’s current student loan debt is about \$10,000; he is currently self-employed working as a private lesson music teacher and heading a band for music engagements. His annual income is less than \$30,000.

**University of Hawai‘i at Mānoa Student: Randy (U2)**

Randy is a twenty-five-year-old Caucasian male. He is single and has no dependents. He graduated with a bachelor’s of business administration degree, majoring in management information systems, at the University of Hawai‘i at Mānoa (UHM) in 2010. Randy’s father graduated from high school, and his mother completed her associate’s degree in English. After graduating from UHM, Randy moved back to Washington State and has been living with his parents where he is not required to pay rent, food, and bills. He is currently working as a Technical Support Engineer for a software company and his annual income is around \$50,000.

Randy graduated from a public high school in Washington in 2006 and immediately enrolled at UHM the following year. Randy noted:

My dad was always telling us, you know, if you want a good life or a good career, then you know, college is the way to go. You need some type of higher education then just high school. He said that it worked for him when he was out after high school [without] a college education. But now, if [we] are applying [for jobs], we will notice most jobs [require] a college education. (U2)

During the college search, Randy applied to five schools and all of them were in Washington except for the University of Hawai‘i at Mānoa (UHM). His key criteria were cost and location. His number one school, which he really wanted to attend and was accepted to, was a private school in Tacoma, but when the financial aid came back, he realized that he would have to seek \$40,000 in loans just for the first year and approximately \$160,000 for all four-years of tuition and fees. He decided not to enroll in that school and picked UHM instead. Randy only knew one person in Hawai‘i, but was

excited about studying in Hawai‘i—a place where he could swim. His parents were very instrumental and involved in his college planning process; they helped him to settle down in Hawai‘i nicely. The first two years, he stayed in the dormitory and bought a meal plan. He later lived off campus with his friends; college life was easy for him. Randy applied for financial aid and received grants and scholarships in his freshmen and sophomore years at UHM. He said, “If I didn’t get financial aid, I would [have] stopped going to Hawai‘i, probably moved back home to somewhere a little cheaper.” Randy regularly worked twenty hours a week on campus via a work-study program at UHM and he also worked additional hours off campus providing kids with swimming lessons while attending college full-time during the regular semester to sustain living in Hawai‘i.

Randy shared:

After my freshman year in Hawai‘i, tuition and everything kept going up. I think... over the four years from my freshmen year till when I graduated, tuition price went up by 50%.... That was always a concern [for me] each year, you know. How much is it going to go up and how much financial aid am I going to get? (U2)

Despite the concerns, Randy was able to focus and finished his bachelor’s degree in four and half years. Randy’s current student loan debt is about \$25,000.

**University of Hawai‘i at Mānoa Student: Jasmine (U3)**

Jasmine is a thirty-one-year-old Caucasian female. She is married and has no dependents. She took thirteen years to attain her undergraduate and graduate education. Jasmine received an associate degree’s in liberal arts, a bachelor’s degree in second language studies, and a master’s degree in second language studies from the University of

Hawai‘i at Mānoa (UHM). During the thirteen years, Jasmine spent a long time, eight years, to pursue an associate degree. Her reasons were that she was not very focused on schooling and changed her major of study and schools several times. Jasmine recalled,

I was going to do the nursing program because I had been working as a certified nurse’s aid in Colorado while I was [majoring in] massage therapy.... I then changed my mind later, but I did the first year of all, like, the classes, the microbiology and anatomy and all that stuff you had to do to get into the nursing program, but then I changed my mind and decided that I didn’t want to do nursing, And then I switched to just general associates of arts so that I could transfer into UH. (U3)

Right after high school, Jasmine attended the University of Northern Colorado. She chose to go there simply because she received the Western Undergraduate Exchange scholarship, which meant the total tuition and fees were even cheaper than for her home town school—the University of Hawai‘i at Mānoa (UHM). Jasmine shared, “The first college that I went to right after high school, the determining factor was who would give me the best financial aid. So, I went to University of Northern Colorado.” Jasmine’s parents were very supportive and always encouraged her to pursue higher education, but they were not able to afford paying for her tuition and fees. Jasmine noted,

I didn’t expect them to pay for my college. I knew from in high school.... I knew that my mom had made it clear, like, we would have to get financial aid.... And [we] would have to pay off loans [for college] down the line. (U3)

On this account, Jasmine always knew that she would need to rely on student financial aid program assistance. To help with schooling and the cost of living, Jasmine always

worked while in school, especially during her graduate degree program; she worked around twenty hours a week during regular semester and forty hours a week during summer as a graduate assistant. She said, “Being able to work in exchange for my tuition has been like a huge factor for me.”

Jasmine’s mother received her Ph.D. at UHM and Jasmine used to always follow her mother to visit the UH Hamilton Library, thus her exposure to the higher education environment was frequent. Jasmine described her own academic ability as high. She reported, “Since elementary school, [I] was in the gifted and talented classes or the AP (advanced placement) classes, so I never thought that college was something that was, like, too hard for me.” Jasmine just finished her graduate degree in May 2012, her current student loan debt is around \$20,000, and her household income (combining hers and her husband’s) was \$24,000 last year. Jasmine emphasized that it is vital for her to find a full-time job soon.

**University of Hawai‘i at Mānoa Student: English (U4)**

English is a forty-year-old Korean and Japanese female. She is single and has no dependents. She graduated from high school in 1990. Thereafter, she spent a total of fourteen years pursuing her higher education. She received multiple degrees all in English—a bachelor’s, a master’s, and a doctoral degree. She attended the University of Hawai‘i at Mānoa (UHM) and the University of Washington. English’s parents were separated when she was nine, and her mother raised her. English’s parents are educated; her father earned an associate’s degree, and her mother received a bachelor’s degree in electrical engineering and a master’s degree in business administration. Both of her parents were very supportive of her educational pursuits. English remembered:

[My mother] wants us to go to a good school and get a good education. My dad, I think, more than my mom was; he [used to] say [that] we would go to college...[and asked] don't you want to be an engineer like your mother? Pick a major that's going to get you a good job. (U4)

English graduated from a private girls' high school in Hawai'i in 1990. She shared:

I did very well in high school...I [got] mostly As, [I was] a 3.8 student, so when I got to college...the 100-level classes were pretty easy.... I don't think I studied nearly as much in college as I did in high school. (U4)

Accordingly to English, her high school encouraged their seniors to go away for college. English shared, "The school encourages students to go away, to go abroad [for college]. So, we're kind of trained to think that [UH] Mānoa is not all that." Thus, English applied to five different colleges after high school and purposely selected schools that were out of her home state of Hawai'i. She ended up enrolling in a small school with 800 total students in Claremont, California, because she did not want to have a big shock and get lost at a big university campus. She received scholarships and took out loans to attend college. Her mother did all the financial aid paperwork for her. Nevertheless, English quickly found that she disliked the campus. She cited:

This small kind of college environment...you know you start missing class and your professor calls you in your dorm room to say I've noticed you missed class, and I sort of felt like...get off my back. You know what I mean...it's college, I'm an adult, and I don't want to go.... So, I dropped out. (U4)

English dropped out during her first semester and went back home to Hawai‘i. She stayed out of college for half a year. English found a job and worked after she dropped out from college. She noted:

I was working, and it was through that experience that I realized I don’t want to do this for the rest of my life and work for minimum wage. And now I know why I needed to be in college. So, the next fall, in 1991, I went back [to college], and I started at UH. So, that’s how I ended up at Mānoa. (U4)

English’s mother paid for the first two years of UHM tuition, because it was the in-state tuition rate, and the total cost was far cheaper than English’s high school tuition. English worked part-time in a small office downtown to earn her book fees and spending money. English also received a merit based tuition waiver to pay for her last two and half years of tuition, thus, her mother did not have to pay for her. English received her bachelor’s of art degree in six years. In 2000, English started her master’s degree program at UHM. She did not work and took out a student loan to pay for her tuition and fees. A year later, she was encouraged by one of her professors to transfer out of UHM. English said, “My professor said, ‘if you intend to come back and work in Hawai‘i, you really should go away.’” Hence, English took her professor’s advice and transferred out of UHM and enrolled at the Washington State University (WSU), where she took three and a half years to finish her master’s degree. Thereafter, she went on to finish her doctoral degree in four years at WSU. She took out over \$50,000 in loans for her master’s and doctoral degree expenses at UHM and WSU. English recalled her higher education experience as:

I would always refer to myself as the poor starving college student.... I had learned to live cheaply very well. Because I've been a student for so long...[I] had to learn to live without certain things and realize there are certain things [that I] didn't need. (U4)

When asked English how she feels about the affordability of the 21<sup>st</sup> century higher education, she reported:

It's starting to get less and less affordable...you know, I'm not really in. Students shouldn't have to work more than part-time, and [they should] be able to go to school and be themselves and [be able to] pay for their school stuff. [Students should be] able to get a decent working laptop and printer.... (U4)

English described her loan as, "Electrical shock collars for dogs." English is currently a professor teaching English at the Community College at UH earning around \$50,000 a year.

**University of Hawai'i at Mānoa Student: Elizabeth (U5)**

Elizabeth is a thirty-three years-old Irish, German, and American Indian female. She is single and has no dependents. She attended a public high school in her hometown in New Jersey. Right after high school, she first enrolled in a local liberal arts college where she lived in a dormitory, but she quickly realized that she didn't like the school because of the distance from home, so she dropped out from that school and went back home. Soon after, she enrolled in another liberal arts college closer to home; she drove to school and lived at home. But the new closer to home school did not satisfy her either. She eventually settled in Northeastern University in Boston where tuition was \$30,000 a year. Elizabeth's parents filed her financial aid paper work and were going to pay for

her. Elizabeth shared, “[My parents] were going to help as much as they could with my undergraduate college bills. Actually, they didn’t pay my undergraduate. I am paying.... I am still paying.” In total, she spent twelve years pursuing her higher education degrees. She received a bachelor’s degree in English, a master’s degree in Education, and a doctoral degree in Curriculum Studies. She attended the University of Hawai‘i at Mānoa (UHM) for her master’s and doctoral degrees. Elizabeth’s parents never attended college, but were very supportive to her educational pursuits. Elizabeth said:

Neither one of my parents has a college degree. My older, my only older sibling, didn’t go to college either, so there wasn’t a big push for me. It was sort of on my own and I decided in January of my senior year that I wanted to go to [college]. I wanted to be an English teacher from a young age and I realized [that] I needed a college degree to do that. (U5)

Elizabeth did not waste time and only took four years to attain her bachelor’s degree. Thereafter, she took one and a half years off prior to enrolling in the master’s program in Hawai‘i. Elizabeth said:

I assumed [that] I’ll have a college degree. I can pay that off. I didn’t realize how much [it would be]. When I came here [Hawai‘i] for my first two years of graduate school, I still would take more [loans] because I thought I needed [it]—they [financial aid] were giving me money. I’ll use the extra money. (U5)

Elizabeth chose Hawai‘i for graduate school because she had family members there. Elizabeth lived with her family members in Hawai‘i and did not have to pay rent for the first two years. She said, “I applied for financial aid, got it, and I still had money [left from] financial aid.... I kept and used it. I kind of viewed it as like free extra money

for living expenses. I should have given it back.” She added, “It wasn’t until my second year when I realized ‘oh shoot,’ I have to pay that with interest now. I really didn’t understand until very later. I would say my fifth year of college, I finally got it.”

Elizabeth took out approximately \$84,000 in loans for all her degrees. She described her loans as, “Gray clouds, it’s like that thunderstorm. I mean, you know, you see it, it’s coming, you know you got to deal with it. It’s more real to me.” When asked about her views on the affordability of American higher education, Elizabeth said, “I think it’s supposed to allow anybody to be able to go to school...but it doesn’t. The [financial aid] interest rates are ridiculous. They are huge!” She is currently working for the Hawai‘i Department of Education as a teacher and her income is around \$60,000.

### **Part II: Participants’ Perspectives on Theoretical Framework**

Using a combination of the nexus model, motivational theory, and human capital theory as a theoretical framework helped me to align the purpose of study and the research questions for this study. For the nexus and motivational theories, they provided me with rationales on the financial impacts in relations to their influence on students’ college access and persistence. For the human capital theory, it is useful to study students’ perceptions of their investment in college and their output after college. The term “human capital” is defined as production, which is interpreted as additional investment yields additional output. Output translates to earning, general advancement, and satisfaction in life. Thus, the human capital theory provided me with an explanation of educational attainment in relation to students’ general satisfaction after college; therefore it guided me to answer the research question about students’ perceptions and opinions on whether or not they view education as a worthwhile investment.

By using the combined theoretical framework, the nine participants were asked their perspectives on 1) financial aid's impact on their college access and persistence; 2) the availability of basic needs and its impacts on their college access and persistence; and 3) education investment to their earning potential and personal satisfaction. Table 4.3 illustrates a summary of their perspectives.

Table 4.3

*Theoretical Framework: Participants' perspectives on the availability of financial aid and basic needs impacts on their college access and persistence, as well as their satisfaction on educational investment*

		Theoretical Framework				
Participants		Nexus Model of College Choice and Persistence: Changes over time in financial aid packages can influence students' academic and social integration processes, as well as their persistence decisions	Motivational Theory: Higher-order needs = (self-esteem + self-actualization = basic needs are satisfied, e.g., food, shelter, transportation, clothing, etc.)	Human Capital Theory: Education raises the productivity of workers by imparting useful knowledge and skills, hence, raising workers' future income by increasing their lifetime earnings.		
		Implications of Theoretical Framework				
		Financial aid availability can influence participant's college access and persistence	The availability of basic needs can influence participant's college access and persistence	Having more education means higher earning potential and higher efficacy (personal satisfaction) for life		
		√ = Agree X = Disagree N/A = No Comment				
		Access	Persistence		Increase Personal Satisfaction	Increase Earning Potential
1	C1	√	√	√	√	√
2	C2	X	√	√	√	√
3	C3	√	√	√	√	√
4	C4	√	√	√	√	X
5	U1	X	√	√	√	√
6	U2	X	√	√	√	X
7	U3	√	√	√	√	X
8	U4	X	√	√	√	X
9	U5	√	√	√	√	√
Total:		5/9 (56%) = √	9/9 (100%) = √	9/9 (100%) = √	9/9 (100%) = √	5/9 (56%) = √

*Note.* Participants' perspectives on the combined theoretical framework: Nexus Model, Motivational Theory, and Human Capital Theory.

### **Financial Aid's Impacts on Students' College Access and Persistence**

Table 4.3 summarized the nine participants' overall or general perceptions and perspectives on college access and persistence. Table 4.4 on page 95 illustrates the nine participants' perceptions and experiences on "specific" access and persistence factors, such as socio-economic background, academic ability, collegiate experience, etc. Table 4.4 is constructed to study participants' views on the specific access and persistence factors when they are mixed with the availability of basic needs and financial challenges.

For financial aid's impact on the participants' college access and persistence in Table 4.3, five out of nine of the participants believed that they would have pursued education regardless of the availability of financial aid assistance; but they would not have been able to persist in college because of the tough challenge of paying for a number of years of tuition and fees. All participants (nine out of nine) believed that they would not have been able to persist in higher education if financial aid were not made available for them. This majority view aligned with the nexus model developed by St. John, Paulsen, and Starkey in 1996, which stated that financial factors are strong factors that affect a student's college choice and persistence. Financial factors include the amount of financial aid received by students. The framework demonstrates that students' financial commitments are based on an evaluation of their socio-economic background, academic ability, and understanding of the financial circumstances—the cost and benefit decision—including having the ability to pay for college, perceptions of student financial aid, as well as the ability to earn money during and after college (St. John, Cabrera, Nora, & Asker, 2000). All these factors can influence their integration processes and their subsequent cost and benefit calculations about college persistence (e.g., commitments at

the time the departure decision is determined). The model also addresses that changes over time in financial-aid packages can influence students' academic and social integration processes as well as their subsequent persistence decisions (St. John, Cabrera, Nora, & Asker, 2000).

The inconclusive result of access to and the availability of financial aid brought new insights on the difference between access and persistence. Whereas, access represents one having the means and ability to enter and enroll in college, persistence represents one possessing the means and ability to stay in college. Among the participants, three out of five interviewees who expressed their inability to access higher education if financial aid was not made available for them were four-year college students. This result raised a question about the difference in the tuition and fees between two-year colleges versus four-year university in relation to access. U5 stated, "My parents were like, you can't go to these schools or we can't afford that. Once we educated ourselves on financial aid, [then I was able to go]." C2 stated, "I'm at a community college.... I think my tuition at least for the upcoming semester is about [UH] Mānoa's five years ago." Regarding persistence, all the participants did not think that they would have been able to persist in college if financial aid were taken away from them. This unanimously expressed perspective validated some brutal statistics—financial assistance to college students increased from \$557 million in 1963–1964 (Lewis, 1989) to \$100 billion in 2008 (U.S. Department of Education, 2010). The nine participants' in-depth explanations of their perspectives on nexus model are listed below.

If it wasn't for financial aid, I wouldn't be going to school at all. It wouldn't be possible....[Financial aid loans] actually give you more than you need to go to

school. I mean at a community college level, which helps me with rent and child care expenses. (C1)

I don't think I put too much time thinking about financial aid, so it was just what we could afford. [My parents] were just willing to do their part. They never really questioned. They usually said if you need help with money paying for school or whatever just let us know. But when I go to Mānoa, I probably would have to take out financial aid to cover all the educational costs. (C2)

For me, it was really important [for me to have access to and persistence in college], because without it, like before, my whole education was contingent on the federal aid and that's why I didn't go to school in the first place.... When I was 18, I didn't qualify for the FAFSA because of my parents' [income]. Yeah, getting financial aid was pretty much the only, the big door, probably the most important [thing to go to college]. I think my entire education is contingent on financial aid. (C3)

You can't stay in school without money and you can't live without money.”

Getting access wasn't so bad, cause I had the G.I. Bill, but I still had to pay the out-of-state tuitions, so if I want to persist in college, I need financial assistance or else I won't be able to go to college. (C4)

I was very fortunate in the fact that my parents were hard working and very supportive both morally and financially. I am also [the] only child. So, ...they were able to support me financially for the first several years of my college education. But, I had to take out loans starting the third year at UHM. It took me six years to finish college. (U1)

[I persisted in college]...it's my work ethics, I don't just quit on things once I got started. If I dropped out, I'd have loans out there. I'd feel like a failure. I'd feel bad cause my parents invested money and time. It would be a waste if I didn't graduate. [If financial aid was taken away], that would be tough. I don't know if I would continue at Hawai'i. I'd probably have to come back to the states [Washington] and go somewhere else. My parents would have to help me as much as they could and took out private loans from a bank you know. So, I think with no financial aid, it would be tough to stay in school honestly. Because, working a full-time job 40 hours plus going to school, you really can't I mean I don't know how some kids do it. I couldn't do it. (U2)

I went to [college] right after high school; the determining factor was who would give me the best financial aid. I think the major factors for me [in terms of college persistence were] having a field to study in that I was interested in, [having] campus employment and friendship, and [meeting] other people in class. If something does get difficult, then you meet with them and confer with them...or form a study group. (U3)

Growing up, of course, you're going to college. That was not a question. Because the [family] value is on education, so it's like she [mother] wants us to go to a good school and get an education. My mom really worked out the financial aid thing and figured out how much money.... And ultimately she was the one you know. At 18, my mom was like you know, as a parent it's her responsibility to educate her children.... For me to get as many scholarships as I [could], but then she [would] find a way to pay for the rest. I couldn't have [persisted] and done it

without [mom], I don't think. [For other persistence factors, I] probably [had] more self-motivation. (U4)

If there was no financial aid, I wouldn't, I just wouldn't have gone [to college]. I wouldn't have, I don't think I would have fought so hard. I wouldn't have gone at all. (U5)

Table 4.4

*Nexus Model: Three-Stage Process Of Students' Access and Persistence + Motivational Theory*

NEXUS MODEL								
ACCESS					PERSISTENCE			
		First Stage Prior to Enrollment		Second Stage Prior to Enrollment		Third Stage After Enrollment		
		Socio-economic Factors	Academic Ability	Benefits	Costs	College Characteristics	Collegiate Experience	Academic Performance
		Student's predisposition to pursue a college education and perceptions of financial circumstances		Initial commitment to enroll in a college and further affect the decision to register for college		Modify or reinforce educational aspirations		
		√ = Considered as a factor to access to a college  X = Considered not as a factor to access to a college		√ = Considered as a factor to access and commit to a college  X = Considered not as a factor to access and commit to a college		√ = Considered as a factor to persist in college  X = Considered not as a factor to persist in college		
1.	C1	√	X	√	√	√	X	√
2.	C2	X	X	√	√	X	X	√
3.	C3	√	X	√	√	√	X	X
4.	C4	√	X	√	√	√	X	X
5.	U1	X	X	√	√	√	√	X
6.	U2	X	X	√	√	√	√	X
7.	U3	√	X	√	√	√	√	X
8.	U4	X	X	√	√	√	√	X
9.	U5	√	X	√	√	√	X	X
		5/9 (56%) =√ 4/9 (44%) =X	0/9 (0%) =√ 9/9 (100%) =X	9/9 (100%) =√ 0/9 (0%) =X	9/9 (100%) =√ 0/9 (0%) =X	8/9 (89%) =√ 1/9 (11%) =X	4/9 (44%) =√ 5/9 (56%) =X	2/9 (22%) =√ 7/9 (88%) =X
Motivational Theory								
√ = The availability of basic needs affects the decision making in different stages to access, enroll, and persist in college as indicated in the Nexus Model.								
X = The availability of basic needs does not affect the decision making in different stages to access, enroll, and persist in college as indicated in the Nexus Model.								
		First Stage Prior to Enrollment		Second Stage Prior to Enrollment		Third Stage After Enrollment		
1.	C1	√	√	√	√	√	√	√
2.	C2	√	√	√	√	√	√	√
3.	C3	√	√	√	√	√	√	√
4.	C4	√	√	√	√	√	√	√
5.	U1	√	√	√	√	√	√	√
6.	U2	√	√	√	√	√	√	√
7.	U3	√	√	√	√	√	√	√
8.	U4	√	√	√	√	√	√	√
9.	U5	√	√	√	√	√	√	√

Note. N=9. C1 to C4 = Community College Students, U1 to U5 = University Students.

In addition to Table 4.3, the combined theoretical framework of the nexus three-stage model, motivational theory, and capital theory, Table 4.4 revealed more in-depth information about students' perceptions and experiences on the "specific" access and persistence factors, such as socio-economic background, academic ability, collegiate experience, etc., as well as when those access and persistence factors are mixed and competed with the availability of basic needs and financial challenges as stated in the motivational theory.

As shown in Table 4.4, the first and second stages of the nexus model are used to understand students' access decisions prior to enrolling in college, and the third stage of the nexus model is used to study students' persistence after enrollment. During the first stage of the nexus model, it shows that socio-economic background and academic ability are the two factors that students evaluate along with their financial circumstances, prior to attending college. According to Table 4.4, 56% (majority) of the participants did not feel that their socio-economic background was a factor in affecting their college access, and 44% of the participants thought otherwise. Moreover, 100% of the participants felt that their academic ability had no influence on their college access decisions. During the second stage of the nexus model, it shows that benefits and costs are the two factors that students evaluate along with their financial circumstances, prior to enrolling in college. The results showed that 100% of the participants agreed that the benefits and costs were indeed strong factors that influenced their initial commitment to enroll in a college. During the third stage of the nexus model, it shows that college characteristics, collegiate experience, and academic performance are persistence factors that students evaluate, along with their financial circumstances, after enrolling in college. The study showed

that 89% (majority) of the participants agreed that college characteristics are a persistence factor, 44% of the participants agreed that collegiate experience affected their persistence in college, but only 22% of the participants indicated that their academic performance had something to do with their college persistence. Table 4.4 also indicated that when combining the nexus model with the motivational theory, the availability of basic needs (students' financial circumstances) was a key factor affecting students' decision-making in the different stages to access, enroll, and persist in college. All participants had a unanimous view on this theory.

### **The Availability of Basic Needs and Its Impact on Students' College Access and Persistence**

As shown in Table 4.4, the availability of basic needs and its impacts on participants' college access and persistence is enormous. All nine community college and university participants unanimously felt that one must first satisfy their basic human needs in order to receive education. They felt that if they were challenged by not having food, shelter, transportation, clothing, etc., the general basic needs, they would not have been able to pursue, attend, nor persist in college. This unanimous view explains and validates the motivational theory that is used as part of the theoretical framework. The results also show the implications on college access and persistence for low socio-economic background students whose lives are constantly challenged by simply fulfilling basic human needs. In fact, two of the community college participants, Trey and Macy, are currently dealing with this hardship. While this study is being reported, they are struggling to find a place to live and put food on the table. Trey had plans to continue to go to school in LCC, but decided he is not going to enroll next semester because he will

not be able to come up with the cash payment. Macy just finished her associate's degree in arts at LCC and would like to pursue a bachelor's degree at UHM, but like Trey, she is not certain how is she going to finance her four year tuition and fees without taking out loans—a route that she is reluctant and afraid to take.

According to Maslow (1954), the desire to satisfy higher order needs can only take place once basic needs (e.g., food, shelter, transportation, clothing, etc.) are satisfied. Deprivation of basic needs can lead to stagnation and even regression to earlier developmental stages. By using the Maslow's concept of prepotency to integrative efforts, this portrays a situation where a student's pursuit of cognitive and affective development can be redirected when financial needs are no longer met. Financial need then becomes a psychological stressor causing the student to divert his/her attention from academic endeavors to monetary concerns. If financial circumstances remain as such, the student is pulled away from the academic and social domains of the institution to pursue alternative activities, such as working and/or obsessing over financial problems (St. John, Cabrera, Nora, & Asker, 2000). The nine participants' descriptive illustrations and explanations of their views on the availability of basic needs to their college access and persistence are listed below.

In order to go to school, I think you need some kind of stability. You wouldn't have stability if you didn't have somewhere to live, or honestly transportation, because if I had to catch the bus, I don't think I would go [to college]. Because...you know [going to] school and work, I have to have a car.

(C1)

[If I didn't have the basic needs, I [would] find a job to actually keep my life stable at least. At least a place to stay, something to eat...I [would] have to spend more time doing that, then, school is out of the picture. (C2)

I would probably not go to school because [I] would end up needing to spend all our time, trying to find a job, and work, and in order to survive and stuff like that, so, it would probably affect my enrollment. (C3)

C4 stated, "Instead of spending money to go to school, you'd have to spend money to eat and live. Education isn't free."

Absolutely, [if I had no money for food, shelter, and transportation, it would affect my staying in college]. You know, the dormitory is not cheap.... The meal plan is not cheap at all. The quality of my food went away down the college diet. I had saimin and Spam and stuff like that.... I had to live a more Spartan life, you know. I didn't want to disappoint my family who they invested so much money and time into it, you know, So, at the point, I began to take out student loans and really take [education] more seriously. (U1)

If I had challenges in getting my basic needs, I would probably work and not go to school. If I did go to school, I would probably go to a community college at the local area where would be cheaper and more affordable. (U2)

Thank God, I've never been in a situation where I didn't have like food or a place to live. I think that would be definitely a determining factor in whether or not you're going to be able to go to school full-time, but even part-time. I mean, if you don't get some form of help, how are you going to justify paying money for

classes when you need money to have food or somewhere to sleep...you know.

(U3)

I think college wouldn't have been a priority if [I struggled with basic needs]. One of the things to me is the debt really bothers me. My first credit card I got when I was a freshman...I [was] very aware...I think this is an influence from my mom that [we] don't want to hold a balance [on the credit card]. [We] don't want to accrue interest. That you do not want to be in debt, you know, if you can't afford it. I think that would've prevented me from going to college...if [I'm] struggling already to meet [my] basic needs. I think I would've just tried to probably just work you know. And I probably would've thought you know, that I am smart enough and whatever that may be I don't need college, or at least not right away and I would've worked and tried to move up, you know within or whatever. (U4)

I'm thinking about my students because I didn't have that [lacking of the basic needs] experience. But looking at my students, I know a lot of them feel, uh, I mean we do have a homeless population, we do have a very low-income [student] population, and they just don't think college is something they can do. They just, it's just not in their plans [and] their goals. They just don't think it's possible [for them to pursue college education]. Like, you know, if they're not doing good in school, they still, a lot of them still want to go to college and they can't find a way to get there. I think it's more so the kids feel that they don't have the money or the support. Or they don't want to—some kids actually don't want to ask their parents for that, or don't feel that their parents will allow them to go away [for college] when they're struggling with money at home and food and all of that. Or they

don't know how to do it, they don't know. Like me, I didn't know about scholarships and I didn't know [anything] about financial aid, so my students don't know either. And, they'll think "well, if we're, you know, living paycheck-to-paycheck or, you know, we have to move or whatever," they just automatically tune college out, [say something] like, "we can't, there's no way I can go." (U5)

### **Education Investment to Students' Earning Potential and Personal Satisfaction**

The human capital theory suggests that education raises the productivity of workers by imparting useful knowledge and skills, hence, increasing workers' future income by increasing their lifetime earnings (Becker, 1994). Human capital is a means of production, into which additional investment yields additional output. This theory is useful to study students' perceptions on their investment in college and their output during and after college. Output translates to earning potential and general advancement and satisfaction in life. In this study, all nine participants believed that higher education does provide higher personal satisfaction, but only five out of the nine participants believed that higher education yielded higher earning potential for their lives. This inconclusive result brought new perspective on human capital theory; participants' viewpoints validated that additional education and training will indeed increase self-efficacy or personal satisfaction but not necessarily earning potential. Four out of the nine participants who questioned the earning potential part of the human capital theory believed that there are a lot of variables that go in to the earning potential puzzle. Variables that were brought up included, but were not limited to major of study, competition, economy, employment rate, opportunity, and type of industry. In particular,

the major of study and the type of industry were cited as the main determining factors.

The opinions align with the *Career Clusters 2008-2018* (2011), which highlighted:

Although education level is highly associated with earnings, other factors are important as well, including the occupation a worker pursues within a particular industry, the kind of degree a worker selects, and a variety of personal traits, interests, and values. 31% of workers within an associate degree earn more than the average worker with a bachelor's degree. (p. 70)

Why did these four participants believe that education does not necessarily bring them a higher earning potential? They explained that education is pretty much a life-long process that can happen in different shapes and forms and not necessarily in a classroom setting; they believe that college is not suitable for everyone. They witnessed and cited successful peoples' stories—people who did not complete college but are doing good in their careers and lives. For example,

My brother traveled the world. He has a job that he loves, he makes great amount of money, and he's self-taught. [He] never went to college [and] barely finished high school. It would have been a waste almost because they type of person he is and the skills that he learned and the job he wanted needed him to be more hands-on and out in the field and doing things. (U5)

It is not surprising to hear examples and real life stories like the example listed above. With the sluggish economy and low employment rate in the country, Americans in general, not just some of our participants in this study, are not sure whether or not their education will indeed provide better life-long earnings for them and for their families.

Although statistics and numbers can give us faith and encouragement that higher

education will yield higher earnings in a long run, each life is a unique story and each person has their own “mountain” to climb in order to reach their own goals and destinations.

On the other hand, when I asked the participants to describe their feelings on attaining a college education, the majority, seven out of nine, of the participants used the words “feel good” or “personal satisfaction” to describe their experiences. In general, they believed that college made them feel more confident, better prepared them for their lives, taught them how to be better thinkers and how to approach and solve problems, helped them to gain technical knowledge and skills, enhanced their critical thinking, analytical, and social skills, and taught them to learn more about themselves and priorities in lives. Table 4.5 on the next page captures a summary of all participants’ “descriptive illustrations” of their personal and professional satisfaction.

Table 4.5

*How Did Education Change Participants' Personal And Professional Satisfaction?*

		<b>How did education change participants' personal and professional satisfaction?</b>
1	C1	Feel good, more confidence, and personal satisfaction. Accomplishing something. Learning is better for life.
2	C2	A better thinker, gain technical knowledge, gain certain skill sets, see things differently, more open to new things, more prepared to deal with people, less stubborn, less sticking with old ways of doing things. Professionally, only if I received a bigger paycheck.
3	C3	Feel good personally. All aspects of lives. Professionally, if I found a job with a higher income.
4	C4	Feel good personally. Learning new things. Professionally, hasn't seen any benefit yet.
5	U1	A great deal of personal satisfaction. Knowledge. Open doors, How to dissect a piece of material/information, how to communicate with others. Professionally, optimistic of getting better earning.
6	U2	Feel good. Career going well. Broader sense of how the world and business work. Team building skills, leadership skills, troubleshooting life challenges, and how to get around things/situations.
7	U3	Better understanding of so many things, ability to look at things critically, opens up eyes to so many different aspects of life and different aspects of society.
8	U4	Professional satisfaction, it helps me in the job itself. Gained knowledge, experience, different perspectives and approaches to do the job. Personal satisfaction, it helps me to learn about myself, relationships, priorities, to set boundaries, how I work, how I think, and how I interact with other people.
9	U5	Feel good. Satisfied personally. Feel empowered. More choices. More opportunities. Open doors. Professionally, I haven't seen a change in pay.

*Note.* C1 to C4 = Community College Students, U1 to U5 = University Students.

To illuminate the participants' in-depth perspectives on their educational investment, their views on their earning potential and personal satisfaction during and after college, below are excerpts of their sharing.

Yeah, it's for life [education is a great investment for me]...[it's a] way to get more money. I am just basing it on statistics. [Since] I got my associate's

[degree], I expect to get a better position...maybe in an office setting. I guess it makes me feel more confident...personal satisfaction that I am actually accomplishing something and I am not stuck on something that isn't getting better. Learning is better for your life. (C1)

Personally, yes. If I want to get anywhere I [will] need a degree, I need some sort of degree [to get] more money. But, I can see [education is] not for everyone.

You're stuck in a classroom and for some people it's not their kind of thing.

[Some] people prefer to get their hands dirty and start their own thing. (C2)

For me, [education is] definitely [a worth while investment for me]. Because what I want to do for the rest of my life is pretty much dependent on education. What I'm going to do, how we're going to live, happiness, being satisfied when [I'm] older and doing stuff, it's all dependent on...all goes back to education. It will affect my income and it will help me get a higher income. [In terms of earning potential], yes, but it's really depending on the area of study. I personally know a couple of people that graduated from college, but they [are] working at Walmart. So, it's like in those cases because they can't find jobs. (C3)

[Education] is a good investment [for me] because I can't do what I want to do without [education]. I feel good about myself because I am learning new things and I am doing well. But professionally, it hasn't really developed [into much money for] me except for promotion points for possible promotion in the army.

[Education] is not for everybody because if you have an exponential amount of people trying to graduate for the same degree and there is only four openings per

year, but there're four hundred people graduating with that degree, where are you going to fit the rest of the people in for [those few openings]? (C4)

If you choose the right field and do it appropriately, yes. I don't think there is enough warning out there for people to understand that if you study English or Music or there are a lot of degrees fields in higher education are very worthwhile for knowledge, [but] they don't directly translate into money. I mean if your quest is knowledge and personal development, then I mean that's how much it costs, people should know. [Education for me] is knowledge and personal enlightenment. I definitely feel a great deal of satisfaction that I did finish [my degree] you know. I had to push and [then actually] finished, so I think that's good. As far as wages affecting my satisfaction, definitely, especially in like the gigs where I am in charge and I am musical director. And it's taking my responsibilities when it all works out and everyone gets paid and I get paid. It's definitely very satisfying. (U1)

Personally, [having a degree] feels good. I always feel like there's better things [out there]. I'm set on being a police officer; that's always been the kind of thing that I've always wanted to do. So, I don't feel that satisfied yet. [But], it does feel good to have my college education and my career going at least. I've seen colleges say a [person with a] college degree will always make more than a person with a high school diploma. I feel like that doesn't necessary have to be true right now. I feel like there are current jobs out there that you can make more than a college graduate. For example, a plumber or electrician, they do pretty

well; they don't have to go to school for that. I wouldn't say [education] is for everybody. (U2)

I think [education] is definitely worthwhile for life. For me, education opens doors; [there were] jobs that I would not be able to get and things [that] I wouldn't be able to do if I didn't have a higher education degree. [Education] gives [me] such a better understanding of so many things...like the ability to look at things critically.... It opens up [my] eyes to so many different aspects of life and different aspects of [myself]...[it's] worthwhile for life. I have been applying for [jobs recently with my soon-to-have master's degree,] at the very bottom of the pay scale, [and it's still] double of what [my husband and I] made [\$24,000] together last year. When you have a master's, you probably are going to make more money, but I don't feel like it's a necessary thing because there are people who have associates' of science degrees who make more money than people with Ph.D.s. But, I still don't think it's guaranteed because sometimes if there is a bunch of layoffs and you have a Ph.D., it's harder for you to find work because you're so specialized. So, there is no guarantee. I think [education] is [a] worthwhile [investment] for people who are able to succeed in the atmosphere and the pressures that are required of you to succeed in higher education. (U3)

[Education] as an investment in terms of money, probably not, you know, the return is not that great. I had student loans to pay on top of rent and utilities—all those bills and gas and whatever...making that kind of money, I mean, life is pretty hard living in Hawaii. We all assume college is an investment, but we don't know, if you're [going to] get any returns on that or not. It's contingent on

whether you get a job and whether your job pays enough for you to sustain yourself and your family. It was a great investment, in terms of how it helps me in the job itself, the knowledge and experience that helps me. I wouldn't have the perspectives and the knowledge that I do [now] to approach the job...the way that I do [it now]. I think for some people you will end up with so much debt and in a field that doesn't pay a whole lot, like mine. You know the cost of your degree versus the amount [of your education investment]. You think about it, I had financed my own education; I mean we're talking about \$90 to \$100 thousand dollars worth of money and then I come out making \$40 thousand dollars a year. How long is that going to take me to pay them off? (U4)

So I think, [education] is a good investment. But, like the statistics...not for everybody. I mean, it's not a good investment if you're a philosophy major or travel and tourism. Because, then it's just actually debt, you know. So I don't, I think that it, it can be, but it's not automatically. It's not automatically a good investment to go to college that you'll get a return on that money, you know. Well now, I mean, now that I have this degree, I feel like I've increased my potential. But again, it's not an automatic. Just because I invested another six years in a higher degree doesn't mean that I will get a, a job, a return on that investment, you know? Like, for example, a lot of people think "well, I have a Ph.D., I can start teaching in college" and it doesn't, [it] doesn't happen that fast. There might not be availability [or] I might not make enough. You start at the bottom of the totem pole again, you know. So, I think I've increased my potential, but I don't think it's a guarantee that I'm now suddenly going to be able to pay off all my

debt or make more. I am, I'm optimistic. I think increased my potential [but] going more in debt, I'm aware of that. I think it was an investment, but I don't know about the return on it, you know? Guarantee, yeah. I'm like contradicting myself, but I do think the more education, the more potential for higher wages, I think that. Um, but like I said, it's not a hundred percent, it's not guaranteed. But I think the more education you have, you're giving yourself a greater potential for earning. There's a lot of personal satisfaction. Um, I don't know that I've had the professional yet because nothing's changed really. My professional area, I'm still doing the same thing I've been doing for the last eight years prior to having this degree. Um, but I like to think, I like to think that will change, but it's, I feel more personally satisfied right now and I haven't seen a change in my pay. (U5)

### **Part III: Five Emerging Themes**

The biggest challenge of conducting qualitative analysis “lies in making sense of massive amounts of data. This involves reducing the volume of raw information, sifting trivia from significance, identifying significant patterns, and constructing a framework from communicating the essence of what the data reveal” (Patton, 2002, p. 432). I conducted numerous word-by-word and line-by-line readings and coding of the participants' transcripts; it was an on-going process for the entire analysis phase of this study. The nine participants' deep and rich descriptive dialogs were developed into categories, sections, and themes for within-case analysis and the cross-case analysis. Five emerging themes developed from this research study. The broad themes are 1) higher education is costly in America, 2) students are heavily reliant on financial aid, and in particular loans, as a means of gaining access to and persist in college, 3) there is no in-

depth advising assistance for students applying for financial aid, 4) a debt burden is placed on students during college, and 5) students carry a heavy debt burdens after college.

### **Theme 1: Higher Education is Costly in America**

All nine participants felt and expressed that American higher education is costly and not affordable in the 21<sup>st</sup> century. The general consensus captured is that private colleges and universities are more expensive than public institutions and because of this reason, they did not consider those schools when they were applying for college. Cost was a primary factor in their college selection choice, decision, and direction. Although all community college participants felt their tuition and fees were cheaper than at a four-year college, three out of the four participants strongly felt that they had to rely on financial aid to gain access to and persistence in college. The one community college participant who did not rely on financial aid assistance to pay for college has been working forty hours a week in order to save up money to pay for tuition and fees. This particular participant also had his parents' financial support. However, he stated that he needed to apply for financial aid in order to gain access to and persistence at a four-year university like UHM. In addition, the participants cited that the more time they stayed in college and the more degrees that they received, the more expensive of their education investment cost. This viewpoint can be validated by one of the participants who cited that she spent over \$100,000 for her bachelor's, master's, and doctoral degrees. On the other hand, all five four-year university participants expressed their concerns about the rising cost of tuition and fees. Most of them observed that the labor wages and salary have not been able to catch up with the rate of tuition increases; one of them cited that students

should not need to work more than half-time in order to pay for school expenses. The latest College Board (2011) report validated the participants' observations. It stated that

1) Over the decade from 2001–2002 to 2011–2012, the published tuition and fees for in-state students at “public four-year colleges and universities” increased at an average rate of 5.6% per year beyond the rate of general inflation. 2) Over the decade from 2001–2002 to 2011–2012, published in-state tuition and fees at “public two-year colleges” increased at an average rate of 3.8% per year beyond the rate of general inflation. 3) Over the decade from 2001–2002 to 2011–2012, published tuition and fees at “private nonprofit four-year institutions” increased at an average rate of 2.6% per year beyond inflation. 4) Published in-state tuition and fees at “public four-year institutions” average \$8,244 in 2011–2012, \$631 (8.3%) higher than in 2010–2011. Average total charges, including tuition and fees and room and board, are \$17,131, up 6.0% from 2010–2011. 5) Published tuition and fees at “public two-year colleges” average \$2,963, \$236 (8.7%) higher than in 2010–2011. 6) Published tuition and fees at “private nonprofit four-year colleges and universities” average \$28,500 in 2011–2012, \$1,235 (4.5%) higher than in 2010–2011. Average total charges, including tuition and fees and room and board, are \$38,589, up 4.4% from 2010–2011. 7) Estimated published tuition and fees at “private for-profit institutions” average \$14,487 in 2011–2012, \$447 (3.2%) higher than in 2010–2011. (p. 3)

To get a better picture of how the nine participants felt about paying for their tuition and fees and their views on the affordability of American higher education, listed below are their descriptive words and explanations.

It depends on the school like private schools are way more expensive. I went to Cannon Business College I left that school abruptly to go to Leeward (a public community college), because Cannon was really expensive. [Later], instead of immediately go[ing] to Mānoa, because of cost, it's cheaper [for me] to go to KCC. Honestly, if it [weren't] for financial aid, I wouldn't be going to school at all. (C1)

I think right now because I am at a community college, [my tuition] is affordable, but it's going up. I think my tuition at least for the upcoming semester is about what I was paying at UHM five years ago. (C2)

I actually don't think college is really affordable at all, because you have to go to college to get money to be able to pay for things, but you don't have any money right now to go to college. I don't have any money right now to go to college. I don't think it's affordable for students at all because they have to pay before they even have the ability to pay for college. So, even LCC, it's considerably more affordable than UH, but, without financial aid, I am not exactly sure how I would go. I think affordability should be based on if you can pay for it in an entry-level job. (C3)

No, I don't think [college] is affordable...because everybody that goes to college is pretty much in debt unless your parents pay your way through. If I could work at a gas station or a McDonald's and still be able to pay for school, then that would be affordable. (C4)

U1 stated, “Ivy League [colleges] are not affordable, so I would never apply. Like a state level [colleges] are affordable because there are a lot of money out there...you just have to apply for them.”

I don't think so [America higher education is affordable] what so ever. I've been seeing the local news and what I've experienced is that tuition just keeps going up and up. You know, on campus, I guess hourly pay wasn't going up with those rates...[at] my federal work study [on-campus employment job]. But federal loans kept getting cut back. I lost five thousand dollars, you know. Even though, my parents weren't making however much more from my freshmen year to my junior year, you know. It's just seemed like stuff kept getting cut more and more as I progressed through college. (U2)

In the past few years, it's getting less affordable because the tuition keeps going up every semester. For me, affordability is like the ratio of how much money I make to how much [money I need to spend for school and other bills]. (U3)

It's starting to get less and less affordable...you know, I'm not really in. Students shouldn't have to work more than part-time, and [they should] be able to go to school and be themselves and [be able to] pay for their school stuff. [Students should be] able to get a decent working laptop and printer...(U4)

U5 shared, “It think [education] is supposed to allow anybody to be able to go to school, but it doesn't, the percentage [and] the interest rates [of financial aid loans] are ridiculous.”

The latest U.S. Census Bureau report can be used to triangulate and validate the participants' points of view towards the affordability of the 21<sup>st</sup> century American higher

education. The U.S. Census Bureau (2012) reported that the average tuition and fee charges at American higher education institutions, both public and private and 2-year to 4-year institutions, have raised at unaffordable rates. By using the U.S. National Center for Education Statistics data, the U.S. Census Bureau (2012) indicated in Table 4.6 on the next page that the tuition and fees of public institutions from 2000 to 2010 have increased an average of 90% or \$2,245. This increase represents a 71% or \$947 increase at 2-year public colleges, 116% or \$4,355 increase at 4-year public universities, and 93% or \$2,873 increase at other 4-year schools. Whereas for private institutions, the tuition and fees have increased an average of 61% or \$8,523. This rising cost equals to 81% or a \$6,641 increase at 2-year private colleges, 72% or \$14,008 increase at 4-year private universities, and 59% or \$7,883 increase at other 4-year private higher education institutions. This alarming rising tuition and fees trend poses a devastating reality to America. Has the government been doing enough to control rising tuition and fees costs? Have the private sector and public government agencies been able to produce an economy healthy enough to sustain competitive salary and wages for Americans so they can keep up with the educational costs and other household expenses? If we agree that education is the foundation for America's next generation, then are we pricing out our own citizens, in particular, the low socio-economic students?

Table 4.6

*Institutions of Higher Education—Average Charge 1985–2010*

[In dollars. Estimated. For the entire academic year ending in year shown. Figures are average charges per full-time equivalent student. Room and board are based on full-time students]

Academic control and year	Tuition and required fees <sup>1</sup>				Board rates <sup>2</sup>				Dormitory charges			
	All institutions	2-yr. colleges	4-yr. universities	Other 4-yr. schools	All institutions	2-yr. colleges	4-yr. universities	Other 4-yr. schools	All institutions	2-yr. colleges	4-yr. universities	Other 4-yr. schools
<b>Public:</b>												
1985.....	971	584	1,386	1,117	1,241	1,302	1,276	1,201	1,196	921	1,237	1,200
1990.....	1,356	756	2,035	1,608	1,635	1,581	1,728	1,561	1,513	962	1,561	1,554
1995.....	2,057	1,192	2,977	2,499	1,949	1,712	2,108	1,866	1,959	1,232	1,992	2,044
2000.....	2,506	1,338	3,768	3,091	2,364	1,834	2,628	2,239	2,440	1,549	2,516	2,521
2005.....	3,629	1,849	5,939	4,512	2,931	2,353	3,222	2,809	3,304	2,174	3,427	3,413
2006.....	3,874	1,935	6,399	4,765	3,035	2,306	3,372	2,899	3,545	2,251	3,654	3,672
2007.....	4,102	2,018	6,842	5,020	3,191	2,390	3,498	3,083	3,757	2,407	3,875	3,881
2008.....	4,291	2,061	7,173	5,285	3,331	2,409	3,668	3,221	3,952	2,506	4,079	4,083
2009.....	4,512	2,136	7,624	5,610	3,554	2,769	3,911	3,417	4,190	2,664	4,344	4,322
2010, prel....	4,751	2,285	8,123	5,964	3,653	2,574	4,018	3,578	4,399	2,845	4,571	4,561
<b>Private:</b>												
1985.....	5,315	3,485	6,843	5,135	1,462	1,294	1,647	1,405	1,426	1,424	1,753	1,309
1990.....	8,147	5,196	10,348	7,778	1,948	1,811	2,339	1,823	1,923	1,663	2,411	1,774
1995.....	11,111	6,914	14,537	10,653	2,509	2,023	3,035	2,362	2,587	2,233	3,469	2,347
2000.....	14,081	8,235	19,307	13,361	2,882	2,922	3,157	2,790	3,224	2,808	4,070	2,976
2005.....	18,154	12,122	25,643	17,050	3,485	3,728	3,855	3,370	4,171	4,243	5,263	3,854
2006.....	18,862	12,450	26,954	17,702	3,647	4,726	4,039	3,517	4,380	3,994	5,517	4,063
2007.....	20,048	12,708	28,580	18,848	3,785	3,429	4,166	3,672	4,606	4,613	5,691	4,302
2008.....	21,462	13,126	30,251	20,190	3,992	4,074	4,376	3,875	4,804	4,484	6,006	4,466
2009.....	22,299	13,562	31,968	20,948	4,209	4,627	4,622	4,080	5,025	4,537	6,254	4,688
2010, prel....	22,604	14,876	33,315	21,244	4,331	4,390	4,765	4,205	5,249	5,217	6,539	4,897

<sup>1</sup> For public institutions, data are for in-state students. <sup>2</sup> Beginning 1990, rates reflect 20 meals per week, rather than meals served 7 days a week.

Source: U.S. National Center for Education Statistics, *Digest of Education Statistics*, annual. See also <<http://www.nces.ed.gov/programs/digest/>>.

	Tuition and required fees				Board rates				Dormitory charges			
	All	2-Year	4-Year	Other 4-Year	All	2-Year	4-Year	Other 4-Year	All	2-Year	4-Year	Other 4-Year
<b>PUBLIC</b>	Institutions	Colleges	Universities	Schools	Institutions	Colleges	Universities	Schools	Institutions	Colleges	Universities	Schools
Year 2000	\$ 2,506	\$ 1,338	\$ 3,768	\$ 3,091	\$ 2,364	\$ 1,834	\$ 2,628	\$ 2,239	\$ 2,440	\$ 1,549	\$ 2,516	\$ 2,521
Year 2010	\$ 4,751	\$ 2,285	\$ 8,123	\$ 5,964	\$ 3,653	\$ 2,574	\$ 4,018	\$ 3,578	\$ 4,399	\$ 2,845	\$ 4,571	\$ 4,561
2000 vs 2010	\$ 2,245	\$ 947	\$ 4,355	\$ 2,873	\$ 1,289	\$ 740	\$ 1,390	\$ 1,339	\$ 1,959	\$ 1,296	\$ 2,055	\$ 2,040
% change	90%	71%	116%	93%	55%	40%	53%	60%	80%	84%	82%	81%
<b>PRIVATE</b>												
Year 2000	\$ 14,081	\$ 8,235	\$ 19,307	\$ 13,361	\$ 2,882	\$ 2,922	\$ 3,157	\$ 2,790	\$ 3,224	\$ 2,808	\$ 4,070	\$ 2,976
Year 2010	\$ 22,604	\$ 14,876	\$ 33,315	\$ 21,244	\$ 4,331	\$ 4,390	\$ 4,765	\$ 4,205	\$ 5,249	\$ 5,217	\$ 6,539	\$ 4,897
2000 vs 2010	\$ 8,523	\$ 6,641	\$ 14,008	\$ 7,883	\$ 1,449	\$ 1,468	\$ 1,608	\$ 1,415	\$ 2,025	\$ 2,409	\$ 2,469	\$ 1,921
% change	61%	81%	73%	59%	50%	51%	51%	51%	63%	86%	61%	65%

Note. The U.S. Census Bureau Report 2012—data was generated by the U.S. National Center for Education Statistics.

## Theme 2: Students are Heavily Reliant on Financial Aid, and in Particular Loans, as a Means of Gaining Access to and Persisting in College

Participants in this study indicated that student financial aid was an absolute necessity for them to persist at their college or university; however, four out of the five participants indicated that they would still have been able to access to college even if financial aids were not made available for them. Four out of these five participants were

students and graduates of four-year going institutions and their families were supportive of higher education. Although not all of their parents had gone to college, they either had or would have supported their children by paying for college partially or fully during the first year. Nevertheless, eight out of the nine participants expressed the importance of having financial aid, in particular, loans to persist in college. Two participants actually illustrated a situation where they were their parents' dependents when they first graduated from high school. They stated that because of their parents' income levels, they did not qualify for financial aid; they had to pay upfront in order to register for classes. Because they could not afford the payments, one participant attended college for a short while and then dropped out from college; the other participant did not start college at all for a number of years. Thereafter, both participants waited for a number of years until they reached age twenty-four and claimed themselves as independent students. Tragically, when both students became independent, they had to apply for loans in order to pay for all the fees associated with college.

The participants, in particular, the 4-year UHM students and graduates, shared that there were basically not enough grants and scholarship available to cover all the college expenses. The students' situations are indeed the reality of our America, the College Board (2000) and St. John (1994) cited that federal need-based grant aid has declined substantially since 1980. In addition, the volume of both federal and private loans used for financing college has grown faster over the last decade than spending on federal, state, or institutional grants (The College Board, 2007). So, loans became the primary source for students to meet their college payment obligations. This trend was also validated by the minimal increases in Pell Grants this year. In June this year, the

U.S. Senate approved a bill that increased the maximum Pell Grant by \$85 for the 2013 fiscal year. Under the bill, the maximum Pell award would increase from the current \$5,550 to \$5,635 starting in the 2013–2014 academic year—this increase would be the first since the 2010 academic year (Stratford, 2012, June 12). Still, an increase of \$85 per semester in a Pell Grant award money is just not enough. It is not going to solve students' tuition and fees problems, especially for students paying the higher tuition rates at the four-year institutions. As stated by the College Board (2010), the published tuition and fees at public four-year colleges and universities increased at an average rate of 5.6% per year beyond the rate of general inflation in the last decade. The same trend appeared at private, nonprofit, four-year institutions where the tuition and fee charges increased an average of 22% to 28% over the last decade (The College Board, 2010). In order to truly understand what actually happened in actual students' college-going paths, the following are some of the voices from the participants in this study.

I took out a loan to attend my [previous college], and it was really expensive. I ended up having to pay off a loan with them. I left [that] school abruptly to go to LCC. Honestly, if it [wasn't] for financial aid, I wouldn't be going to school at all. If it [wasn't] for financial aid, it wouldn't be possible. Because, they actually give you more than you need to go to school, I mean at a community college level, which helps me with rent, child care, and expenses, you know. I am getting Pell grants and scholarship. Last year, I took out a loan because I was having car trouble and so I decided that I needed to use my money to buy a car and help with my rent and stuff like that. (C1)

I think that my whole entire education is contingent on financial aid. When I go to Mānoa, I would feel reluctant to take out [a] loan, because it's like your only option, so you know, that would be like, that's the only way [that] I am going to go to school. So it's like "God, I don't want to do it, but I have to." I had to take out a school loan because financial aid didn't cover all the school expenses. (C3)

Pretty much everybody I know that has been to college has [a] debt [from taking out loans] to college. I owed \$18,000 in loans. I didn't know anything; I was young and dumb. I feel crappy because looking back, I think [taking out loans] was the stupidest thing I ever did in my entire life. (C4)

It started with my parents [paying my tuition], and then I started taking out loans. It was completely paid by financial aid for [tuition, fees, and books], I didn't take out more than what was needed [for school]. The loans, carrying the financial burden, I realized, I hate to say it, I was spoiled. It became more real to me when I have to take out another loan and when my name was on the loan and I'm paying for it. (U1)

If I didn't get financial aid, I would [have] stopped going to Hawai'i probably moved back home to somewhere a little cheaper. After my freshmen year in Hawai'i, tuition and everything kept going up. I think it was over the four and a half years, from my freshmen year 'till when I graduated, tuition price went up by 50%. There was always a concern you know, each year. "How much is it going go up and how much financial aid am I going to get." I think after my freshmen year, I didn't get any more grants or anything. It seems like my financial aid [from grants and scholarships] kept decreasing year after year. I didn't feel the burden

of taking a loans out because you are basically signing a piece of paper saying [that] you will pay these loans back. (U2)

The first college that I went to right after high school, the determining factor was who would give me the best financial aid. I knew my mom was going to take out loan. She had made it clear that, we should find the best deal. (U3)

U4 noted, “To me, not only access, because financial aid [also] helps you to persist. First year of the master’s program, I was at UHM. I didn’t work. I took out a student loan.”

My parents told me they had some money to help, but it would be all financial aid and that I would have to pay it back. If there was no financial aid, I wouldn’t have gone. I don’t think I would have fought so hard, and I wouldn’t have gone at all. [Now], I hit like \$80,000 debt [from loans]. (U5)

On the other hand, to triangulate the participants’ input about the loan practice in higher education, Table 4.7 is used to prove the point. Table 4.7 consists of data constructed by the U.S. National Center for Education Statistics and was reported by the U.S. Census Bureau in 2012—a very recent report. The data shows the different types of loans and grants available as well as the total amount dispersed to students from 1995 to 2011. For the purpose of explaining the financial aid trend in the 21<sup>st</sup> century (2000 to present), only data from 2000 and 2011 (the latest information available) are used for comparison of the loans and grants issued to students.

The U.S. Census Bureau (2012) figures indicated in Table 4.7 reveal that the total federal loan amount in the year 2000 was \$34 billion and in the year 2011 was estimated at \$118 billion, an estimated increase of 323% or \$84 billion. For total grants, they accounted for \$8.8 billion in the year 2000 and an estimated \$35.9 billion in the year

2011, an estimated increase of \$27 billion or 264%. Total loans disbursed outweigh grants in both 2000 and 2011; there were approximately \$25.3 billion more loans than grants distributed to students in 2000 and an estimated \$82.3 billion more loans than grants distributed to students in 2011. From 2000 to 2011, the increasing trend to use loans rather than grants to assist students to finance higher education is clearly shown in the records; there were an estimated \$56.9 billion more loans than grants dispersed to students from 2000 to 2011, an estimated 59% increase. The implications of using loans as the primary resource to help students to finance college can be damaging. If students have to heavily rely on loans to access and persist in higher education, how can our students graduate with ease, certainty, and promise when they are carrying a backpack full of student loans?

Table 4.7

*Federal Student Financial Assistance: 1995–2011*

[For award years July 1 of year shown to the following June 30 (35,477 represents \$35,477,000,000). Funds utilized exclude operating costs, etc., and represent funds given to students]

Type of assistance	1995	2000	2005	2008	2009	2010, est.	2011, est.
<b>FUNDS UTILIZED (mil. dol.)</b>							
<b>Total</b> .....	<b>35,477</b>	<b>44,007</b>	<b>72,634</b>	<b>97,478</b>	<b>130,549</b>	<b>144,977</b>	<b>155,102</b>
Federal Pell Grants .....	5,472	7,956	12,693	18,291	29,992	36,515	35,773
Academic Competitiveness Grants .....	(X)	(X)	(X)	340	479	548	(X)
SMART <sup>1</sup> Grants .....	(X)	(X)	(X)	200	359	384	(X)
TEACH Grants <sup>2</sup> .....	(X)	(X)	(X)	25	72	109	131
Federal Supplemental Educational Opportunity Grant .....	764	907	1,084	1,039	1,066	959	959
Federal Work-Study .....	764	939	1,050	1,113	1,246	1,171	1,171
Federal Perkins Loan .....	1,029	1,144	1,593	961	818	971	971
Federal Direct Student Loan (FDSL) .....	8,296	10,348	12,930	18,213	29,738	84,704	116,098
Federal Family Education Loans (FFEL) .....	19,152	22,712	43,284	57,296	66,778	19,618	(X)
<b>NUMBER OF AWARDS (1,000)</b>							
<b>Total</b> .....	<b>13,667</b>	<b>15,043</b>	<b>21,317</b>	<b>25,713</b>	<b>32,188</b>	<b>34,257</b>	<b>35,730</b>
Federal Pell Grants .....	3,612	3,899	5,167	6,157	8,094	8,873	9,413
Academic Competitiveness Grants .....	(X)	(X)	(X)	438	613	786	(X)
SMART <sup>1</sup> Grants .....	(X)	(X)	(X)	64	115	150	(X)
TEACH Grants <sup>2</sup> .....	(X)	(X)	(X)	8	31	36	44
Federal Supplemental Educational Opportunity Grant .....	1,083	1,175	1,419	1,451	1,593	1,339	1,339
Federal Work-Study .....	702	713	710	678	733	713	713
Federal Perkins Loan .....	688	639	727	488	441	493	493
Federal Direct Student Loan (FDSL) .....	2,339	2,739	2,971	3,730	6,109	16,647	23,728
Federal Family Education Loans (FFEL) .....	5,243	5,878	10,323	12,698	14,459	5,220	(X)
<b>AVERAGE AWARD (dol.)</b>							
<b>Total</b> .....	<b>2,596</b>	<b>2,925</b>	<b>3,407</b>	<b>3,791</b>	<b>4,056</b>	<b>4,232</b>	<b>4,341</b>
Federal Pell Grants .....	1,515	2,041	2,456	2,971	3,706	4,115	3,800
Academic Competitiveness Grants/SMART <sup>1</sup> Grants .....	(X)	(X)	(X)	774	760	697	(X)
SMART <sup>1</sup> Grants .....	(X)	(X)	(X)	3,107	3,125	2,560	(X)
TEACH Grants <sup>2</sup> .....	(X)	(X)	(X)	3,125	2,369	2,966	2,966
Federal Supplemental Educational Opportunity Grant .....	705	772	764	716	669	716	716
Federal Work-Study .....	1,088	1,318	1,478	1,642	1,700	1,642	1,642
Federal Perkins Loan .....	1,496	1,790	2,190	1,968	1,852	1,968	1,968
Federal Direct Student Loan (FDSL) .....	3,547	3,778	4,352	4,882	4,867	5,088	4,893
Federal Family Education Loans (FFEL) .....	3,653	3,864	4,193	4,512	4,618	3,758	(X)
<b>COHORT DEFAULT RATE<sup>3</sup></b>							
Federal Perkins Loan .....	12.6	9.9	8.1	10.4	10.1	(NA)	(NA)

NA Not available. X Not applicable. <sup>1</sup> National Science and Mathematics Access to Retain Talent. Funding for Academic Competitiveness Grants and SMART Grants was terminated in 2011. <sup>2</sup> Teacher Education Assistance for College and Higher Education (TEACH) Grant Program. <sup>3</sup> As of June 30. Represents the percent of borrowers entering repayment status in year shown who defaulted in the following year.

Source: U.S. Department of Education, Office of Postsecondary Education, unpublished data.

	GRANTS					TOTAL	WORK STUDY	LOANS				TOTAL	DIFFERENCE
	Federal	Academic	SMART	Teach	Federal			Federal	Federal	Federal	Federal		
	Pell Grants	Competitive Grants	Grants	Grants	Supplemental Educational Opportunity Grants	GRANTS	Work Study	Perkins Loans	Direct Student Loans	Family Education Loans	LOANS	VS GRANTS	
Year 2000	\$ 7,956	N/A	N/A	N/A	\$ 907	\$ 8,863	\$ 939	\$ 1,144	\$ 10,348	\$ 22,712	\$ 34,204	\$ 25,341	
Year 2011	\$ 35,773	N/A	N/A	N/A	\$ 131	\$ 35,904	\$ 959	\$ 1,171	\$ 971	\$ 116,098	\$ 118,240	\$ 82,336	
2000 vs 2010	\$ 27,817	N/A	N/A	N/A	\$ (776)	\$ 27,041	\$ 20	\$ 27	\$ (9,377)	\$ 93,386	\$ 84,036	\$ 56,995	
% change	350%	N/A	N/A	N/A	-86%	264%	2%	2%	-91%	411%	323%	59%	

Note. The U.S. Census Bureau Report 2012—data was generated by the U.S. National Center for Education Statistics. Figures represents millions and billions, e.g., \$7,956 = \$7,956,000,000 and \$907 = \$907,000,000.

### **Theme 3: There is No In-depth Advising Assistance for Students Applying for Financial Aid**

None of the nine participants in this study reported that they received in-depth personal financial counseling prior to, during, or after college. In fact, all specifically mentioned that this did not occur. During the initial entrance, none of them had any idea about the different types and choices of financial aid programs. In particular, they had no knowledge or guidance on loan consequences. A participant expressed that he didn't feel anything about taking on loan initially, because to him, he was just signing a piece of paper. Another participant expressed that she enjoyed the extra money from the loan check; she felt that she could use the extra money for her living expenses without knowing that she had to pay interest on every extra dollar that she took out. Further, all participants were clueless about the interest fees and repayment terms and years on loans; this ignorance and financial irresponsibility has spanned from their initial loan application to even after their graduation. The common response that I gathered from some of the participants was that they did not and still do not want to know exactly how much they actually owe; they do not want to face the reality. Below are statements from the nine participants sharing how they applied for financial aid when they first enrolled in college.

I am actually living in a transitional house...the resident manager helped me applied for FAFSA and scholarships and everything like that. We did it online. I probably wouldn't have taken the initiative, you know, to do all. I didn't [go to the financial aid office because] they want you to do everything online; they don't really want you go in there [their office] and take up their time. It seems like they

are so busy...they just post stuff on Laulima [the student online class portal]...not supportive. (C1)

I applied for FAFSA in 2006, but after that I wasn't sure what was supposed to happen or, so I guess it never went anywhere, so, I wasn't sure what happened actually. No one contacted or follow-up on me to let me know my financial aid application status. (C2)

From my high school, they didn't give me [student] financial [aid program] advice. They told me to fill out the FAFSA, and I think that's about it. I did everything on my own, so I just filled it out on my own, I didn't get anybody to help me with the forms, no advice. The whole entire process, from start to finish till I was actually registered, I was all on my own. (C3)

The first time I went into the [financial aid office at] school, they gave me a bunch of paper work. They were like an admissions/financial aid officer. They just gave me a bunch of papers, told me to fill it out, and sign it. Well, they said put your name here...they told me, like, how to fill out the form, but they didn't tell me exactly what the form was for and stuff like that. I asked them what I was filling out and they said that I was filling out paper work to get federal aid to pay for school and then, that was pretty much it. (C4)

I remember going to the student aide office as required. [I] met with the counselor to sign some forms. But, basically, they just gave me the paper work. They said these are your options for your loans. I was warned and counseled by my father [instead of the financial aid advisor] of the [loan consequence]. (U1)

I never talked to an advisor. It [the financial aid process] was all [done] electronically. They do have some form of online financial aid understanding type of questions that I needed to answer in order to renew the financial aid every year. They [Financial Aid Office] would send you your letter through the portal. It was then basically here's your amount—accept [it], deny [it], or [acquire] partial [payment]. That was about it. And I usually talk to my parents on how much I would need. That's about it. (U2)

I don't recall if I met with, like, financial aid people when I was filling out the FAFSA. My mom might have helped me with the FAFSA when I had questions. I don't recall actually sitting down and meeting with a financial aid advisor. I would go on to FAFSA.gov website and read about the exact definitions of all the different kinds of financial aid that was offered. I have gone into the financial aid office at UH to turn in a copy of my tax [returns], but not really sit down and have a meeting with them. (U3)

I didn't know the [different] types of [financial aid]...they [the financial aid office] sent you the letter and said, 'this is what you qualify for'....they have different names like the Perkins [loans] and Stafford [loans], I didn't know what they meant. The college admissions advisor, the general person, kind of explained what I got. (U4)

There was never a course in my high school; there was never a mandatory workshop I had to go; there wasn't a mandatory parent night. I just did the FAFSA online and then basically I applied for as much as possible to pay [for] my tuition. The only mandatory thing we had to do [was] an entrance and an exit

interview. My first year, I remember I physically had to go talk with a person. The second year, they made it all electronic. You just did it online. I had [an] online entrance interview and online exit interview and that was just “Here you can get money” and no one telling me “You really don’t need that much.” I would just always apply for the most because I needed money to live and to get by. And that was silly, you know, now I owe. I owe probably a lot more than I really needed to pay. I kind of viewed it as like free extra money. I shouldn’t have done that, I should have given it back. I had no clue, you know. (U5)

#### **Theme 4: A Debt Burden is Placed on Some Students During College**

According to Christie & Munro (2003), the stress level could even be higher for college students, because of their limited resources, their inexperience in determining the type of financial aid package and options they need, and their inability to manage finances in general. Moreover, Elliott and Nam (2011) indicated that debt, especially a sizeable debt, might reduce a student’s ability to stay in college in part through its indirect impact on expectations. This study revealed that managing the level of debt burden during college varies among participants. Some of them were emotionally concerned about their increasing debt and some just treated loans as a means and as a process of financing their education.

Based on the participants’ comments, it seemed like they generally could manage the debt burden during college as long as financial aid continued to be available to them, as long as they could continue to tap into loans to pay for college. In addition, in order to lower the amount of their loan, students reported that having the ability to work from fifteen to forty hours a week was important for them. Half of the participants worked on

campus via the work-study program or graduate assistance program; and the other half of the participants worked off-campus. The students who worked off-campus tended to work more hours and they generally worked in a retail setting.

Managing debt burden is a general term and each participant had their own story to tell and had their own way to handle the loan debt stress. Five out of the nine participants, two from the two-year community colleges and three from a four-year university, a quite evenly distributed sample of the interviewed students, were able to describe their hardships.

For me, I naturally think about these things. I don't know, every couple of weeks or may be once a month, I am always thinking about the future. Am I going to keep going to school. Uh, how are we going to, where's our money going to come from?' So, it is, for me, it's a constant evaluation. It'd be easier for a student who was living with their parents and don't have, you know, the extra stuff to pay for, but for [us], because we're on our own and we have so much to pay for, I think that [our loan implications are] a lot bigger [with the] school loans. It's like bigger in relation to our particular situation. I don't know how to estimate the [debt] percentage [in relation to] our income. [Pursuing] school [has] already affected us getting married; so, we're waiting until school is all finished. (C3)

C4 stated, "The loan will only grow bigger. It's like we're going to be screwed.... We are going to be poor [and] more poor."

I was thinking I could get a car. I was talking to my dad...he encouraged me to be as frugal as possible to keep the loan amounts down. The loans carrying the financial burden, I realized, I hate to say it. I was spoiled.... It became more real

to me when I had to take out another loan...when my name was on the loan...I'm paying for it, and if I don't pass [my classes], it's a waste of money. (U1)

U2 shared, "I didn't feel the burden of taking loans out because [I'm] basically just signing a piece of paper saying [I] will pay these loans back."

I never felt like embarrassed about it [the loan] or anything. For me, the emotional aspect was like, weighing, like the pros versus cons, like, I'm going to have to deal with this, and I'm going to have to, like, pay this off. Is it worth it? Like, you know, that kind of stress, like decision-making [stress]. Like, do I really want to have this money that I owe looming over me kind of thing. It wasn't ever really, like, related to the social aspect of anything, and it wasn't like [a] super emotional thing. It was just like having to determine whether or not I thought that it was worth it and I would be able to pay it off. (U3)

I am not done, when you know sort of the panic sets in that I have this amount of money [loan payment], and I don't have a job and I am not done.... Oh my god, what am I going to do? I was really worried. I was kind of [having] a panic attack. Because I just thought [that] there was no way I can do that. There's no way I can cover that. (U4)

U5 noted, "Well, [it's] like the gray clouds. It's like that thunderstorm. I mean, you know, you see it, it's coming, you know you got to deal with it, take shelter, yeah, and you got to face it."

### **Theme 5: Students Carry a Heavy Debt Burden After College**

Rothstein and Rouse (2011) indicated in their study that high debt burdens make students less likely to chose a lower-paying occupation, such as becoming a teacher.

Similarly, Gicheva (2011) suggested that additional student debt in excess of \$10,000 decreases the long-term probability of marriage by seven (7) percentage points. Two out of the nine participants indeed expressed that because of their loans and debts, they have been deferring their marriages. In general, all participants in this study were able to describe their debt burden to finance college. This study included some participants who attended multiple colleges in their lifetime. Table 4.8 captures a summary of their feelings towards loans and debts. The participants were asked to use a symbol or descriptive statement to express their loan debt situation.

Table 4.8

*How Do Participants Feel About Their Debt Burdens?*

<b>How do participants feel about their debt burdens?</b>		
1	C1	Previous loan from private college—Swimming in the ocean trying to find a shore, but there was no land anywhere around me. Current loan from a public college—walking through a dark forest but am able to see a light further down the path, just haven't been able to get there yet.
2	C2	When needed to take out loans to go to UHM after KCC—would probably feel like heavy weights tying me down, making it harder for me to move forward with my life.
3	C3	On a desert island, feeling like being stranded. Affecting us getting married.
4	C4	A dry up river. Affecting us getting married.
5	U1	Can see the light at the end of the tunnel. A hill to climb, can see the top of it, but still have some climbing to do.
6	U2	Feeling sucks like ball and chains. It restricts me from investing in other items and deferring personal goals like buying a car, taking vacations to see my girlfriend, buying my own house, and investing money in stock. Basically puts extra weight on my shoulders.
7	U3	Feeling stress. Like a black cloud that looms over your head and a backpack that at the moment is heavy and full. But, believe in giving worries to Jesus, see Him as carrying the weight of the backpack for me.
8	U4	Electrical shock collars for dogs.
9	U5	Gray clouds with thunderstorm. Monkey attached to the back of the body.

*Note.* C1 to C4 = Community College Students, U1 to U5 = University Students.

Seven out of the nine participants were able to put the details of their feelings on loans and debts in statements; their descriptive statements follow.

It's kind of like you're on a desert island. In particular, because [I] actually am having a really hard time finding money for anything else. It's just that feeling like being stranded. I don't know where to go. Um, I don't know how we're going to survive. (C3)

I kind of feel like I had a river before when I was in the military [and had access to G.I. bill], and, like, [now the] money is kind of just dried up. [My financial situation] is pretty bad, because I don't have anything right now. Like, we can't even pay our rent. (C4)

[My loans] are not a huge financial burden for me, yea, it's not. I can see the light at the end of the tunnel. [I will pay them off] slowly, it's not on top of my things to do. Although I'm in the process of applying for some more work and start making the type of money I think I will. Um, I am going to try and push through and get rid of it [the loan] quicker. [But the loans do affect me to do other things], yes, definitely, I'm living pretty frugally, I don't have a lot of extra money. (U1)

I did have a job right after college....it just sucks having to pay the student loans back. [My paycheck] could have been going towards a mortgage or, you know, a nicer car payment, but it's coming back to my student loans. (U2)

U3 stated, "I would feel stressed after college. But, I would try and make every possible way that I've ever been able to make money is what I would do....whatever possible way to be able to pay my bills."

Electrical shock collars for dogs. Because [loans] are restrictive in that sense, and at certain moments when you think you want to go beyond that.... Like I want to go back to Seattle and visit my friends, then it's that moment of wait, you can't do that.... How much is that going to cost? And, you know, do you have the money? And how are you going to save that money? So, it's that kind of thing like an electrical. Because a periodically, you get reminded that there are things [that] you can't do. You got this thing looming over you until you pay it off. I have student loans to pay on top of rent and utilities, all those bills, making that kind of money, I mean, life is pretty hard living in Hawai'i. (U4)

I feel like that's a fear that I have, so it's a heaviness you know? It's kind of the monkey on my back, you know, like it's attached. It's just scary, you know. You have life and you have plans and then to think that I might actually not be able to afford it and not because I'm living extravagant lifestyle, but because [I am] in debt because [of] school. Some family members gave me money, [a] pretty big amount of money [as graduation gift]; everyone told me to do something fun with it, you know. I worked hard. And what I did was turned around and paid [loans and] bills, stuff like that. I felt like guilty. I have debt, I have these bills and I live sometimes paycheck-to-paycheck. I am going to take this money and go travel or...No, I can't do that, I have debts, you know. I think I'll be paying [the loans] for the rest of my life. I mean, I don't want to be a public school teacher forever, but working in this field...huh. (U5)

In addition to the descriptors indicated above, Table 4.9 on page 132 was constructed to triangulate and illustrate the seriousness of the participants' debt burden in dollars and

cents. Participants' income and debt amounts were used to project their repayment schedule based on an interest rate of 6.8% (current student financial aid interest rate) using ten-year and thirty-year repayment terms. This repayment schedule illuminated that five out of nine participants (more than 56%) are or will be paying more than 10% of their current income (after taxes) for a ten-year repayment term; and three out of the nine participants (more than 33%) are or will be paying more than 10% of their current income (after taxes) for a thirty-year repayment term. Further, four out of the nine participants in this study borrowed \$20,000 or more; the repayment schedule indicated that their cumulative payments over ten years and over thirty years are compounded into a much higher amount than their principle loans. For a \$20,000 loan, the cumulative payments over ten years became \$27,619.31 or \$46,934.58 over thirty years. One of the participant's loans was \$84,000; her cumulative payments over ten years would be \$116,001.22 or \$197,139.87 in thirty years respectively. Just in interest alone, she would pay a total of \$32,001.22 for the ten-year term or \$113,139.87 for the thirty-year term. Imagine the stress level to commit more than 10% of your net income every month for ten to thirty years just to pay back student loans. One would hope that the participants' incomes would increase over the years, but who can guarantee that? Life is just full of challenges and surprises; any set back in life would really put the borrowers in danger of defaulting their loans, which in turn would become a national debt issue and a problem for all Americans.

Table 4.9

*Participants' Debt Repayment Schedule*

	Approximate	Student Loan	10 Yr. Repayment	Approximate	Total Interest	Cumulative	30 Yr. Repayment	Approximate	Total Interest	Cumulative
	Yearly Income		Monthly Payment	Repayment % of Income After Tax	Paid for 10 Yr.	Payment	Monthly Payment	Repayment % of Income After Tax	Paid for 30 Yr.	Payment
					6.80%	in 10 Yr.			6.80%	in 30 Yr.
*C1	\$ 20,000.00	\$ 3,500	\$ 50.00	4%	\$ 971.06	\$ 4,471.06	\$ 50.00	4%	\$ 971.06	\$ 4,471.06
C2	\$ 30,000.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
**C3	\$ -	\$ 3,156	\$ 50.00	N/A	\$ 760.00	\$ 3,916.99	\$ 50.00	N/A	\$ 760.00	\$ 3,916.99
C4	\$ 30,000.00	\$ 18,000	\$ 207.14	12%	\$ 6,857.59	\$ 24,857.59	\$ 117.35	7%	\$ 24,241.93	\$ 42,241.93
U1	\$ 30,000.00	\$ 10,000	\$ 115.08	7%	\$ 3,809.66	\$ 13,809.66	\$ 65.19	4%	\$ 13,471.37	\$ 23,471.37
U2	\$ 50,000.00	\$ 25,000	\$ 287.70	10%	\$ 9,524.14	\$ 34,524.14	\$ 162.98	6%	\$ 33,674.33	\$ 58,674.33
U3	\$ 18,000.00	\$ 20,000	\$ 230.16	22%	\$ 7,619.31	\$ 27,619.31	\$ 130.39	12%	\$ 26,934.58	\$ 46,934.58
U4	\$ 50,000.00	\$ 50,000	\$ 575.40	20%	\$19,048.28	\$ 69,048.28	\$ 325.96	11%	\$ 67,348.66	\$117,348.66
U5	\$ 60,000.00	\$ 84,000	\$ 966.67	28%	\$32,001.22	\$116,001.22	\$ 547.62	16%	\$113,139.87	\$197,139.87
Note. *\$50 is the minimum monthly payment. The term of the loan has been shortened to 7.5 years.										
**\$50 is the minimum monthly payment. The term of the loan has been shortened to 6.6 years.										

## CHAPTER V

### DISCUSSION, IMPLICATIONS, AND CONCLUSION

This chapter consists of six sections: 1) discussion of findings, 2) implications for students and society, 3) implications for K–12 and higher education institutions, 4) implications for government policy and practice, 5) implications for research, and 6) conclusion. This research study, *American Higher Education, Higher Tuition, and High Student Loans, The Debt Implications for Students During and After College: Case Studies at the University of Hawai‘i*, presents research data and interpretations about the affordability of and student loan debt situation in American higher education. Its focus was on students' perceptions and life stories so as to provide rich descriptive data to both scholars and practitioners. In this chapter, I discuss the results of the study and answer the three research questions based on the research findings. Next I will present the implications for students, society, schools, research, and government. Finally, I will share concluding thoughts for consideration by financial aid program policy makers and administrators.

#### **Discussion of Findings**

The results of this study indicate many similarities between the two-year community colleges and the four-year university at the University of Hawai‘i. Students shared both expected or anticipated and unexpected or unanticipated perceptions and individual learning points. I also heard and learned the different stories, paths, and patterns of student behaviors and their emotions regarding financing higher education and dealing with student loans and debt burdens at the different phases of their lives. Participants reflected on their individual education investment, strictly based on the their

personal efficacy and earning potential. Based on this study and the empirical research and reports, financial aid has been a bridge for students to gain access to and to persist in higher education. However, an unfortunate finding was that loans rather than grants and other endowments, were the “major engine” for these students to finance their college education. As loans require student to pay them back with interest, graduates right out of college immediately have to deal with debts that resulted in stress and other monumental consequences. To summarize the participants’ perspectives on the subject of this study, I would like to restate the three research questions that guided this entire study. I will answer them in sequence and in depth in the following segment accordingly.

Research Questions:

1. What are students’ perceptions on the affordability of American higher education in the 21<sup>st</sup> century (2000–present)? To what extent are students and their families relying on loans to gain access to higher education?
2. What are the debt implications for students and their families during and after college?
3. How do educational attainment and wages affect students’ personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?

**Answer to the First Research Question: What are students' perceptions on the affordability of American higher education in the 21<sup>st</sup> century (2000–present)? To what extent are students and their families relying on loans to gain access to higher education?**

The demand for higher education has been increased significantly around the globe over the past couple of decades. The concept of life-long learning and the need for individuals to equip themselves with 21<sup>st</sup> century skills in order to compete in this global market has had a major emphasis in America; but the process and price of obtaining higher education can be costly, challenging, and confusing. The realities associated with gaining access to and persisting in college are validated via the voices of the nine participants in this study. Since education is perceived to be a means to increase one's earning power and competitive edge, it is easy to understand the increasing demand for higher education on a massive scale.

Investment in human capital is attractive to both private and government sectors. It is believed that the greater productivity of individual workers is related to increases in their lifetime earnings, and by expanding the productive capacities of the workforce, investments in human capital are also positively related to increase in the general levels of local, state, regional, and national output and income (Dension, 1962, 1984; Leslie & Brinkman, 1988; Paulsen, 1996a, 1996b; Pencavel, 1993; Psacharopoulos, 1973). In this case, education can be defined as a private and a public good. Private good benefits individuals and public good benefits society and governments. This begs the question of whether or not our city, state, and federal governments have done enough to ensure American higher education is affordable for everyone. The participants in this study felt

that American higher education is no longer affordable. They expressed that students and families have to heavily rely on loans to gain access to and persist in college. Their experiences are validated by Bogue and Aper (2000) who stated that the federal government has shifted federal aid programs more towards the direction of loans than grants in recent years. Moreover, according to Avery and Turner (2012),

New federal student loans for higher education amounted to \$97 billion in 2009–2010: \$66.8 billion to undergraduates and \$31 billion to graduate students.

Borrowing to finance educational expenditures has been increasing—more than quadrupling in real dollars since the early 1990s. (p. 165)

The shift to loans has intensified the out-of-pocket cost and is a concern for many students and their families. This costly trend can easily be seen in most colleges and universities, even state-supported, land grant higher education institutions.

The voices of the nine participants in this study revealed that the debt implications on students and families could be stressful and damaging, especially after college. Although all the participants in this study enrolled in a state-supported, land grant institution, they were constantly evaluating the costs and benefits of attending their school. While the nine participants' backgrounds and socio-economic statuses were different, they all voiced their grave concerns about the ways they needed to finance their college education. In particular, with the rapid increases in tuition and fees and the limited grant offerings in recent years, they had to heavily take out loans in order to register for each semester and to stay enrolled in college. The participants were aware that the loans they took out would have to be repaid with interest, but they did not have any other options. The rising loan-taking trend was validated by Cohn (2010, December

21) when he reported that America's student debt at the end of 2010 was nearly \$880 billion. Student loan defaults have doubled since 2005; half of those defaults are from the for-profit schools. Further, 66% of bachelor's degree recipients graduated with debt, including 62% who had federal loans and 33% who had borrowed from nonfederal sources in 2007–2008 (The College Board, 2009). A much larger fraction of graduates from for-profit institutions relied on private loans. “The student loan debt is growing at a rate of \$2,853 per second. At this pace, it will surpass \$1 trillion in 2012” (Cohn, 2010, December 20).

With the uncertainty of their future earnings and the sluggish conditions of the U.S. economy, the participants expressed their worries and disappointments towards the current student financial aid system, in particular the financial aid advising process, and their gloomy investment returns on education. Participants also pinpointed the fact that because of the high cost of living coupled with the lower salary rate in Hawai‘i, it is more difficult for students and families to afford higher education without some sort of financial aid support even if they enrolled at a public institution.

**Answer to the Second Research Question: What are the debt implications on students and their families during and after college?**

The debt implications for students and their families during and after college are severe. This study revealed that managing the level of debt burden during college varies among participants. Some of them were emotionally concerned with their increasing debt and some just treated loans as a necessary means of financing their education. The different participants' voices brought us varied perspectives; U2 shared, “I didn't feel the burden of taking loans out because [I'm] basically just signing a piece of paper saying [I]

will pay these loans back.” U3 shared, “For me, the emotional aspect was like, weighing, like the pros versus cons. Like I’m going to have to deal with this, and I’m going to have to, like pay this off. Is it worth it?” U4 described, “I am not done [with school], when, you know, sort of the panic sets in that I have this amount of money [owed in loan payments], and I don’t have a job, and I am not done.... Oh my God, what am I going to do? I was really worried. I was kind of [having] a panic attack. And C4 stated, “The loan will only grow bigger. It’s like we’re going to be screwed.... We are going to be poor [and] more poor.”

Although the participants in this study reacted to loans differently while in school, some were emotionally affected and some are not, they expressed that they generally could manage the debt burden during college as long as financial aid continued to be available for them, as long as they could continue to tap into loans to pay for college. However, this study revealed a different story about managing debt burden after college; participants described that handling loans debt can be much harder and much more intense after college due to life and family obligations and responsibilities. C2 stated, “[I’m] having a really hard time finding money for anything else. It’s just that feeling like being stranded.... We want to get married, but we can’t.... We are deferring our marriage...” C3 shared, “It’s kind of like you’re on a desert island. In particular because actually [I] am having a really hard time finding money for anything else.... How we’re going to survive.” C4 stated, “Money is kind of just dried up. [My financial situation] is pretty bad, because I don’t have anything right now. Like, we can’t even pay our rent.” U1’s response to whether loans affect him was, “yes, definitely, I’m living pretty frugally. I don’t have a lot of extra money.” U2 shared, “I’m living with my parents, I

don't pay rent.... I want to buy my own house, but I can't because I have to pay back my student loans." U4 reported, "Electrical shock collars for dogs.... You got this thing looming over you until you pay it off. I have student loans to pay on top of rent and utilities, all those bills. Making that kind of money, I mean, life is pretty hard living in Hawai'i." And U5 shared, "A fear... a heaviness. It's kind of the monkey on my back.... You have life, and you have plans.... I might actually not be able to afford it and not because I'm living extravagant lifestyle, but because [I am] in debt because [of] school. I think I'll be paying [the loans] for the rest of my life. (U5)

**Answer to the Third Research Question: How do educational attainment and wages affect students' personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?**

This study revealed that educational attainment and wages do affect students' personal and professional satisfaction. Students believed that higher education does provide higher personal satisfaction in terms of gaining valuable skills and knowledge, but does not necessarily provide professional satisfaction. Professional satisfaction represents both earning potential and their current wages and salary. Participants in this study shared that educational attainment does not guarantee higher earning because of differences in their program of study and other uncontrollable variables such as the economy. Nevertheless, they do perceive education as a worthwhile investment for life.

The nine participants unanimously believed that college made them feel more confident, better prepared them for life, taught them how to be better thinkers and how to approach and solve problems, helped them to gain technical knowledge and skills, enhanced their critical thinking, analytical, and social skills, and taught them more about

themselves and their priorities in life. In general, the participants believed that all these skill sets that they earned in college were a worthwhile investment for life, as long as educational attainment and wages were not tied together. The participants simply felt uneasy about their current earnings and the loans that they had to take out to finance college. In fact, one participant put it into perspective:

I don't think education attainment and wages tie together. My real blunt answer is because society values certain things over other things. So, for instance, like the coaches get paid a lot because that's high entertainment value, and they make money. They can make a lot of money on it by selling tickets. [Being an English professor myself, I know] that serving as an [English] academic professor is not a high money-making endeavor, and so they're not gonna pay that much for [you]. The fields that they do pay more for are the ones that they can bring in grants and patents that make money for the school. English professors don't have grants. Nobody wants to give us money for anything. There is no money in the humanities really.... I think education isn't so much the determining factor in wages, I think society is—what society values. You can go to college and still not get paid a whole lot and still be poor. I'm still poor. I feel like I haven't really made it that far [even after getting my doctoral degree]. (U4)

## **Implications**

### **Implications for Students and Society**

Findings from this study provided support that high tuition and high student loans have tremendous impact on students and society. In recent years, the federal government has shifted federal aid programs more towards the direction of loans than grants (Bogue

& Aper, 2000). The shift to loans has intensified the out-of-pocket costs and has become a concern for many students and their families. This costly trend can easily be seen at most colleges and universities, even state-supported, land grant higher education institutions. Therefore, from a financial perspective, while we may view K–12 education as a citizen's right in American society, higher education remains a privilege (Bogue & Aper, 2000). Who can afford American higher education? According to the U.S. Census Bureau Reports (2012), Americans' paychecks are shrinking. The median annual household income dropped down to \$50,054 in 2011; that is a 1.8% drop from 2010. African Americans' income was hit the hardest and affected the most; their median household income is \$32,229. The poverty rate remains flat while household median incomes drop. 15% of Americans were living in poverty in 2011; 15.1% in 2010. Forty-six million Americans live in poverty, among them 16 million are children, and nearly one in six Americans live in poverty.

Students who do get into substantially higher amounts of financial aid debt typically have extenuating circumstances; they may have transferred schools several times over many years without ever earning a degree, as we can see from a couple of participants in this study, or they may be trying to make up for expected parent contributions that did not materialize. Although federal student loans fulfill their purpose, to increase students' college access by providing more students with quality education and training, they also create economic, psychological, and social problems at the micro and macro levels when students are not advised properly of the loan debts implications. At the micro economic level, students are placed in the tough position of having to pay off their loans even if they cannot find a job that pays a decent enough salary to support

themselves and their families after graduation. At the macro level, when graduates are having a tough time even getting a job or getting a decent paying job after college, how can they fully contribute to our society and economy? Both levels of economic problems are commonly seen nowadays due to the sluggish economy in recent years.

Although financial aid loans enable students to gain access to and acquire valuable skills, knowledge, and recognition, they do carry monumental risks for all borrowers. The trend of high student loan debt, or even low debt compounded with low earnings or unemployment, is alarming. This debt can really handicap students and graduates with unmanageable repayment amounts that can risk their ability to have a satisfactory life and subsequently increase the possibility of having delinquent or defaulted loans. A normal life is one in which an individual can be self-sufficient as well as provide for their family. When students depart from college with a rock-heavy debt, they carry the heavy burdens that prohibit or delay them from making critical decisions and taking important steps towards improving their lives. In fact, these important life decisions will not only benefit them but also to our society and economy as a whole, for example, buying a home, saving for emergencies, getting married, starting a family, starting a business, and saving for retirement. These are all activities that can pump up the economy of our country.

Although the federal student loan program provides a variety of tools and consumer protections that can help borrowers become better informed about managing their debt and avoiding default, there are many borrowers who are unaware of their options or lack access to quality financial advising. It is easy to understand that college graduates with private student loans can face a much higher cost consequence and have

far fewer options and solutions when they are challenged by economic downturn, unemployment, and/or life's obstacles and hardships. When their payments become unmanageable, behind schedule, or default, their throats are really at the mercy of their lenders and collection agencies. This default trend has been increased and cited by the media in recent years. According to the *New York Times* (2012, September 8), it reported:

The amount of student loans that are delinquent has remained constant or increased at a time when delinquencies on mortgages and other types of consumer credit have declined.... People who attend private profit-making schools account for 47% of all those with a loan in default. Public schools account for 42% [and] private nonprofit [schools account for] 12%. Loans are considered in default when payments are 360 days delinquent.... As the number of defaults has grown, so have the government's efforts to collect from borrowers. In the last fiscal year, the government and agencies working on its behalf collected \$12 billion through collection agencies, garnishing wages, withholding tax refunds and other methods.

The reality of this student loan default trend is a national crisis and there is no easy way out. Even if a student loan borrower faces severe financial distress and qualifies for bankruptcy, it is nearly impossible to discharge student loans under the current bankruptcy law. Public needs to be educated about this horrible trend, public service announcements should be available in the society to create greater awareness. On this account, instead of handling the loan and default burdens after college, students should be wise in handling their college finance while they are in school. Students need to proactively seek for the one-on-one financial advising session at the college financial aid

office and participate in financial aid workshops and orientations prior to signing up for a large sum of loans to finance their college education. The purpose of those financial consultations is for students to gather pertinent financial aid information and have them nailed down the dollars and cents of their college investment, especially the loan amount, interest, and repayment schedule. Students should also consult with their student affairs advisors to learn more about scholarships and grants opportunity and actively research and apply for different types of need-based and merit-based scholarships to subsidize their tuition and fees. Students should be serious about their college education by carefully plan every steps of their academic journey, so that no time and money will be wasted on changing numerous majors and schools. In addition, students should enroll in the work-study program or graduate assistantship program on campus and earn wages while attending college. The work study and graduate assistantship programs can provide students with wages, valuable working skills and experiences while lowering their needs to take out a hefty loan. Furthermore, students should strategically seek and work for an employer that will support and pay for their college education, e.g., working for a university or a corporation that has the tuition waiver or professional development reimbursement program. But, most of all, students need to take ownership of their college planning and implementation; they need to be financially responsible for how they utilize their financial aid funds to pay for college; taking out the maximum amount of loans and spending those loan money for things other than college expenses is never a good idea.

#### **Summary of recommendations for students and society**

- Students need to proactively seek for the one-on-one financial advising session at the college financial aid office.

- Students need to participate in financial aid workshops and orientations.
- Students should gather pertinent financial aid information, e.g., loan amount, interest, and repayment schedule.
- Students should learn more about scholarships and grants opportunity and actively research and apply for different types of need-based and merit-based scholarships to subsidize for tuition and fees.
- Students should be serious about their college education by carefully plan every steps of their academic journey.
- Students should enroll in the work-study program or graduate assistantship program on campus and earn wages and valuable work skills while attending college.
- Students should strategically seek and work for an employer that will support and pay for their college education.
- Students need to take ownership of their college planning and implementation.
- Students should not take out the maximum amount of loans to pay for things other than college expenses.
- Public needs to be educated about the student loan and default implications; public service announcement should be available in the society to create greater awareness of this horrible trend.

### **Implications for K–12 and Higher Education Institutions**

Findings from this study provided support that the high tuition and high student loans situation is everyone's business, in particular, K–12 and colleges and universities.

The implications of the demand for American higher education, high tuition, and high student loans are gigantic and urgent. When students and their families suffer from costly education and heavy debt burdens, schools and governments will in turn feel the ripple effects, as they cannot fulfill their educational and public missions. As we learned throughout this study, when the costly tuition is compounded with the loan burdens, students may delay their graduation or completely withdraw from school. These scenarios will definitely have a negative impact on college enrollment and operations. In turn, failure to meet their educational missions and enrollment and operations issues can also affect American higher education's reputation in the competitive global market, making it less competitive and attractive to foreign students from other countries. International students bring millions of dollars into the country every year. Losing foreign students means higher education institutions and the government will be hit with a loss of income and lose a large source of healthy cash flow, as foreign students must pay tuition in full because they are not eligible for federal student financial aid programs.

In essence, these costly tuition and loan problems need to be resolved by efforts from all levels in the society. Solutions need to be discussed, constructed, and evaluated by all families and schools and at the state and federal levels; every citizen should be accountable for this nation-wide initiative, as it will greatly affect the next American generation. To create greater awareness about the ramifications of taking out loans, schools and governments need to share all the facts and lay out all of the college-financing options to better inform the general public. K-12 schools need to work closely with higher education institutions and governments to better inform students and their families about the different types of college financial aid programs, total college costs,

interest rates, and post-graduate salary estimates so students can understand and make informed decisions about their school choices, loan options, and borrowing ramifications. “Financing College 101: the dos and don’ts” type of awareness program should be established as a requisite high school class or incorporated into existing college guidance programs. Colleges and universities should place more emphasis on providing in-depth financial aid advising in the financial aid office and create mandatory orientation programs targeting financial aid recipients before and after their first year of enrollment, as well as each subsequent year of continued enrollment. These year-to-year financial aid seminars and/or workshops should be a requirement to qualify for any type of financial aid and would allow students and their families to meet with the financial aid advisors face-to-face and discuss all their financing options, including any available grants, scholarships, wavers, or work study options that apply to their situation. Students and their families need to be educated wisely so that they will be good financial stewards and not borrow more than they need to for college.

According to the U.S. National Center for Education Statistics as indicated in Table 5.1, the demand of higher education in America has been increasing across all degree levels in the 21<sup>st</sup> century. From the year 2000 to 2009, there was a 39% increase in associate’s degrees earned, a 29% increase in bachelor’s degrees earned, a 44% increase in master’s degrees earned, a 51% increase in doctoral degrees earned, and a 15% increase in first-professional degrees earned. As this study revealed, the longer students enroll in school, the higher the education attainment that students get and the higher the chances that students will have to rely on loans to finance their education. So, again, if K–12 and higher education institutions are keen on seeing their graduates have a healthy

future—not just completing a degree but having a satisfactory personal and professional life, they ought to work with the government and the educational community to take the proactive steps by working together to solve the high tuition and high student loan crisis.

Table 5.1

*Degrees Earned by Level and Race/Ethnicity: 1990-2009*

[For school year ending in year shown. Based on survey; see Appendix III]

Level of degree and race/ethnicity	Total					Percent distribution		
	1990	2000 <sup>1</sup>	2005 <sup>1</sup>	2008 <sup>1</sup>	2009 <sup>1</sup>	1990	2000 <sup>1</sup>	2009 <sup>1</sup>
<b>Associate's degrees, total</b> . . . . .	<b>455,102</b>	<b>564,933</b>	<b>696,660</b>	<b>750,164</b>	<b>787,325</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
White, non-Hispanic. . . . .	376,816	408,772	475,513	501,079	522,985	82.8	72.4	66.4
Black, non-Hispanic. . . . .	34,326	60,221	86,402	95,702	101,487	7.5	10.7	12.9
Hispanic. . . . .	21,504	51,573	78,557	91,274	97,921	4.7	9.1	12.4
Asian or Pacific Islander . . . . .	13,066	27,782	33,669	38,843	40,914	2.9	4.9	5.2
American Indian/Alaska Native . . . . .	3,430	6,497	8,435	8,849	8,834	0.8	1.2	1.1
Nonresident alien. . . . .	5,960	10,088	14,084	14,417	15,184	1.3	1.8	1.9
<b>Bachelor's degrees, total</b> . . . . .	<b>1,051,344</b>	<b>1,237,875</b>	<b>1,439,264</b>	<b>1,563,069</b>	<b>1,601,368</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
White, non-Hispanic. . . . .	887,151	929,106	1,049,141	1,122,675	1,144,612	84.4	75.1	71.5
Black, non-Hispanic. . . . .	61,046	108,013	136,122	152,457	156,615	5.8	8.7	9.8
Hispanic. . . . .	32,829	75,059	101,124	123,048	129,526	3.1	6.1	8.1
Asian or Pacific Islander . . . . .	39,230	77,912	97,209	109,058	112,510	3.7	6.3	7.0
American Indian/Alaska Native . . . . .	4,390	8,719	10,307	11,509	12,222	0.4	0.7	0.8
Nonresident alien. . . . .	26,698	39,066	45,361	44,322	45,883	2.5	3.2	2.9
<b>Master's degrees, total</b> . . . . .	<b>324,301</b>	<b>457,056</b>	<b>574,618</b>	<b>625,023</b>	<b>656,784</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
White, non-Hispanic. . . . .	254,299	320,485	379,350	409,312	424,188	78.4	70.1	64.6
Black, non-Hispanic. . . . .	15,336	35,874	54,482	65,062	70,010	4.7	7.8	10.7
Hispanic. . . . .	7,892	19,253	31,485	36,801	39,439	2.4	4.2	6.0
Asian or Pacific Islander . . . . .	10,439	23,218	32,783	37,408	39,944	3.2	5.1	6.1
American Indian/Alaska Native . . . . .	1,090	2,246	3,295	3,758	3,759	0.3	0.5	0.6
Nonresident alien. . . . .	35,245	55,980	73,223	72,682	79,444	10.9	12.2	12.1
<b>Doctoral degrees, total</b> . . . . .	<b>38,371</b>	<b>44,808</b>	<b>52,631</b>	<b>63,712</b>	<b>67,716</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
White, non-Hispanic. . . . .	26,221	27,843	30,261	36,390	39,648	68.3	62.1	58.6
Black, non-Hispanic. . . . .	1,149	2,246	3,056	3,906	4,434	3.0	5.0	6.5
Hispanic. . . . .	780	1,305	1,824	2,279	2,540	2.0	2.9	3.8
Asian or Pacific Islander . . . . .	1,225	2,420	2,911	3,618	3,875	3.2	5.4	5.7
American Indian/Alaska Native . . . . .	98	160	237	272	332	0.3	0.4	0.5
Nonresident alien. . . . .	8,898	10,834	14,342	17,247	16,887	23.2	24.2	24.9
<b>First-professional degrees, total</b> . . . . .	<b>70,988</b>	<b>80,057</b>	<b>87,289</b>	<b>91,309</b>	<b>92,004</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
White, non-Hispanic. . . . .	60,487	59,637	63,429	65,383	65,439	85.2	74.5	71.1
Black, non-Hispanic. . . . .	3,409	5,555	6,313	6,400	6,571	4.8	6.9	7.1
Hispanic. . . . .	2,425	3,865	4,445	4,840	5,089	3.4	4.8	5.5
Asian or Pacific Islander . . . . .	3,362	8,584	10,501	11,846	12,182	4.7	10.7	13.2
American Indian/Alaska Native . . . . .	257	564	564	675	659	0.4	0.7	0.7
Nonresident alien. . . . .	1,048	1,852	2,037	2,165	2,064	1.5	2.3	2.2

<sup>1</sup> Beginning 2000, data reflect the new classification of institutions. See footnote 1, Table 278.Source: U.S. National Center for Education Statistics, *Digest of Education Statistics*, annual. See also <<http://www.nces.ed.gov/programs/digest/>>.

*Note.* The U.S. Census Bureau Report 2012—data was generated by the U.S. National Center for Education Statistics.

**Summary of recommendations for K–12 and higher education institutions**

- Discusses, constructs, and evaluates a solution for affordable higher education with individuals, students, families, schools, and private and public sectors.
- Creates an accountable and practical student financial aid programs—a nation-wide initiative.
- Creates greater awareness about the ramifications of taking out loans.
- Schools and governments need to share all the facts and lay out all of the college-financing options to better inform the general public.
- K-12 schools need to work closely with higher education institutions and governments to better inform students and their families about the different types of college financial aid programs, total college costs, interest rates, and post-graduate salary estimates so students can understand and make informed decisions about their school choices, loan options, and borrowing ramifications.
- Establishes “Financing College 101: the dos and don’ts” type of awareness program as a requisite high school class or incorporated into existing college guidance programs.
- Colleges and universities should place more emphasis on providing in-depth financial aid advising in the financial aid office.
- Creates mandatory orientation programs targeting financial aid recipients before and after their first year of enrollment, as well as each subsequent year of continued enrollment.

- Creates mandatory “year-to-year financial aid seminars and/or workshops” as a requirement for students to attend in order for them to qualify for any type of financial aid program.
- Students and their families have to meet with the financial aid advisors on a face-to-face basis and to discuss all their financing options, including any available grants, scholarships, wavers, or work study options that apply to their situation.

### **Implications for Government Policy and Practice**

Findings from this study provided support for the need for the government to review and control higher education tuition and fee charges as well as to improve the student financial aid program’s policies and practices. The end goal is to ensure American higher education is affordable for “all” citizens and financial aid programs are indeed providing the necessary help not just to allow students to gain access to and persist in school, but also to graduate “without” the debt burdens. Instead of relying primarily on loans as a means to assist students, more grants, scholarships, work study program, and graduate assistantship program should be available for students to finance their college education. The government needs to work closely with students, families, K–12 schools, higher education institutions, and the private and public sectors to resolve this high tuition and high student loans crisis. More incentives, such as tax deductions, should be provided to individuals and private sector entities to encourage them to offer scholarship opportunities to more students. Moreover, the government needs to modify or expand the requirements of the current federal EB-5 visa program to foreign investors that allows them to receive permanent resident green card visas to the United States for

themselves and for their families. The visa program currently requires the foreign investor to invest \$500,000 or more into a targeted U.S. investment that will create new and promising jobs in America. This green card visa program could be expanded or modified to one or multi-million dollar investment requirement in providing college grants, scholarships, work-study program, and funds to support American higher education. On the other hand, more frequent public service announcements educating citizens about the different ways to finance and plan for college education, as well as highlighting the consequences of loans, should be made available in K–12 schools, at higher education institutions, and via the mass media. Federal student loan interest rates should be kept at a lower rate; the current rate of 6.8% is much higher than the current mortgage rate. More funding should be provided to the work study program, so that students can earn wages on campus while gaining valuable on-the-job training experience and skills. Scholarship offerings can be merit-based, income-based, need-based or any other creative form, but should widen the range of eligible recipients who have the desire to access and to persist in college. Hence, everyone, including students who come from the low socio-economic background or have not done really well in school, would still have a chance not just to access and persist in college, but also to graduate from college “without” a huge debt on their shoulders.

According to the *U.S. News & World Report* (2012, September 13), more than 1,800 colleges and universities were polled for their 2012 survey of undergraduate programs. Schools self-reported a myriad of data regarding their academic programs and the makeup of their student body among other areas. The student indebtedness data for the class of 2011 is reported in Table 5.2. Table 5.2 revealed the schools that have the

least debt and the most debt, the percentage of graduates who borrowed, and the U.S. News national universities ranking. It is not surprising to learn that among the least debt schools, most of them are the “Ivy League” universities, such as Princeton University, Yale University, and Harvard University, which have deep-pocketed endowment accounts for scholarships, tuition discounts, and other tuition waiver programs backed by their wealthy alumni and the networks to recruit the “best and the brightest” students in the nation. The report indicated that the students of Princeton’s class of 2011 who borrowed for school graduated with an average of \$5,000 in debt. “That’s the lowest class average of any national university, and well below the national average of \$24,445...Harvard University owing \$11,780, and Yale University grads shouldered \$8,940” (Hopkins, 2012, September 13). This is good news for the students who are accepted into such prestigious universities, but the access problem still remains at large, in particular, the low socio-economic status students. How many American students will have the academic ability and opportunity to attend these Ivy League Universities?

We often hear politicians’ talk about education for “all,” and we hear directly from some of the lower socio-economic participants in this study about their day-to-day struggles to make ends meet which affected their academic pursuits and performance. So, shouldn’t affordable higher education and practical student financial aid programs be tailored for “all,” not just available to certain groups of selected students or the so-called the “cream of crop” who attend certain types of schools? Based on the same report, the schools with the highest debt have an average debt of \$37,512 to \$47,066, which is almost double of the national average of \$24,445, and the percentages of graduates who borrowed were 31% to 94% (*U.S. News & World Report*, 2012, September 13). In fact, a

couple of the highest average student financial aid debt schools were reported “without” a U.S. News’ national universities rank, an RNP (rank not published). So is there any relationship between the RNP ranking and high rate student debt at these schools? Why are those schools’ rank not published? What are the implications and deeper meanings of these figures, rankings, and percentages of graduates who borrowed money in Table 5.2? It is very obvious that the government has a role to play to answer all these questions.

Table 5.2

*Most and Least Student Debt Schools: Class of 2011***Least Debt**

School (state)	Debt at graduation, class of 2011	% of grads who borrowed	U.S. News National Universities rank
Princeton University (NJ)	\$5,000	25	1
Yale University (CT)	\$8,940	23	3
Harvard University (MA)	\$11,780	34	1
California Institute of Technology (CA)	\$13,442	43	10
Brigham Young University--Provo (UT)	\$14,320	31.6	68
Howard University (DC)	\$15,080	82	120
University of Houston (TX)	\$15,613	49	184
San Diego State University (CA)	\$16,400	44	165
Stanford University (CA)	\$16,458	28	6
Old Dominion University (VA)	\$16,500	75	RNP

**Most Debt**

School (state)	Debt at graduation, class of 2011	% of grads who borrowed	U.S. News National Universities rank
Clark Atlanta University (GA)	\$47,066	94	RNP
Widener University (PA)	\$44,430	86	189
Nova Southeastern University (FL)	\$43,201	73	RNP
Stevens Institute of Technology (NJ)	\$41,797	72	75
Lynn University (FL)	\$40,101	31	RNP
Case Western Reserve University (OH)	\$39,886	59	37
Florida Institute of Technology (FL)	\$39,007	59	160
Andrews University (MI)	\$38,054	63.1	189
American University (DC)	\$37,674	58	77
Barry University (FL)	\$37,512	61	RNP

Note. Source: U.S. News & World Report (Hopkins, 2012, September 13).

On the other hand, the government needs to work with higher education institutions to monitor, regulate, and evaluate tuition and fee charges, especially at private schools, on a regular basis so that education will be affordable for all citizens. Any for-profit private schools that utilize recruitment tactics to allure students to sign up for expensive college programs should be penalized and sanctioned with hefty fines. Furthermore, the government should work with schools' financial aid offices to control the amount of loans that students can borrow. Loan checks should only be drawn to each semester's necessary school-related expenses so that students will not end up borrowing more money than they actually need for school. Moreover, greater incentives should be provided to student loan borrowers to encourage them to make their payments on time. According to Martin (2012, September 8), "Loan servicers are paid \$2.11 a month for each borrower in good standing, but only 50 cents a month for borrowers who are seriously delinquent." Another step would be to continue to remove private lenders from the federal student loan industry, thus providing more direct access to the many beneficial federal lending and repayment assistance programs that are not available to these federally-backed private loans. More loan forgiveness programs should be available for borrowers who serve in certain occupations and industries that have a labor shortage, economic potential, or provide healthy impact and service to the general public. The relatively new income-based repayment program needs to be expanded to "all" loan programs, not just certain ones, and it needs to be heavily advertised to the general public so that more graduates can benefit from it. According to Martin (2012, September 8) who wrote in the *New York Times*:

Income-based repayment was established to help borrowers with high levels of debt but modest incomes to make relative small payments over a long period of time. But many borrowers were never told about the income-based option, and many others have been frustrated by the complex requirements. [Since its establishment in July 2009, only] 1.6 million borrowers have applied for it and 920,000 are active participants and another 412,000 applications are pending.

Instead of handling the matter from the front end, spending more resources to regulate tuition and fee charges and to offer better financial aid programs, the government is spending more money and resources at the back end by hiring collection agencies to chase students and graduates for late payments and default loans. Debt collectors are rewarded primarily for collecting as much as possible, not for making sure a borrower can afford the payments. “Last year...the Department of Education paid more than \$1.4 billion to private collection agencies and other groups to collect defaulted student loans” (Martin, 2012, September 8). The news also stated that while the number of people taking out federal-backed student loans increased, so have the number of loan payments that fell behind schedule in more than twelve months. “In all, nearly one in every six borrowers with a loan balance is in default. The amount of defaulted loans, \$76 billion, is greater than the yearly tuition bill for all students at public two- and four-year colleges and universities” (Martin, 2012, September 8). Hoover (2011, November 27) reported the story of Pamela Brown (a student loan borrower) in the *Chronicle of Higher Education*. Ms. Brown stated:

The question has been asked repeatedly about the morality of not paying debts....  
We now need to ask the question about the morality of paying when the vast

majority of people cannot afford to pay.... This is emotionally burdensome.

We're now dealing with an entire generation that feels depressed by the amount of money that they owe and their ability to pay it off.

On the other hand, Martin (2012, September 8) from the *New York Times* documented that students protested at New York University by wearing t-shirts with the amount they owed scribbled across the front—\$90,000, \$75,000, \$20,000, etc. —last year as a tactic to call for government's attention. What has the government done so far to address this nation-wide issue? An increase of \$85 per semester (from \$5,550 to \$5,635 starting in the 2013–2014) in a Pell Grant award money per qualified student is just not enough. There is indeed an urgency for the U.S. government to listen to their citizens' voices, like the voices in all these news reports and articles, as well as the participants in this study, to improve their policies and practices for providing affordable higher education and job opportunities in the 21<sup>st</sup> century and beyond.

#### **Summary of recommendations for government policy and practice**

- Offers more grants, scholarships, work study program, and graduate assistantship program for students to finance their college education.
- Needs to work closely with students, families, K–12 schools, higher education institutions, and private and public sectors to resolve this high tuition and high student loans crisis.
- Creates more incentives, such as tax deductions, to individuals and private sector entities to encourage them to offer more scholarship opportunities to more and diverse students.

- Modifies or expands the current federal EB-5 foreign investor green card program by requiring foreign investors to invest one or multi-million dollar in providing college grants, scholarships, work-study program, and funds to support American higher education.
- Increases and offer more frequent public service announcements educating citizens about the different ways to finance and plan for college education, as well as highlighting the consequences of loans, should be made available in K–12 schools, at higher education institutions, and via the mass media.
- Keeps federal student loan interest rates low.
- Provides more funding to the work study program so that students can earn wages on campus while gaining valuable on-the-job training experience and skills.
- Offers more scholarships; they can be merit-based, income-based, need-based or any other creative form to a diverse population of students.
- Government needs to work with higher education institutions to monitor, regulate, and evaluate tuition and fee charges, especially at private schools, on a regular basis so that education will be affordable for all citizens.
- Any for-profit private schools that utilize recruitment tactics to allure students to sign up for expensive college programs should be penalized and sanctioned with hefty fines.

- Government should work with schools' financial aid offices to control the amount of loans that students can borrow.
- Loan checks should only be drawn to each semester's necessary school-related expenses so that students will not end up borrowing more money than they actually need for school.
- Greater incentives should be provided to student loan borrowers to encourage them to make their payments on time.
- Continue to remove private lenders from the federal student loan industry, thus providing more direct access to the many beneficial federal lending and repayment assistance programs that are not available to these federally-backed private loans.
- More loan forgiveness programs should be available for borrowers who serve in certain occupations and industries that have a labor shortage, economic potential, or provide healthy impact and service to the general public.
- The income-based repayment program needs to be expanded to "all" loan programs, not just certain ones, and it needs to be heavily advertised to the general public so that more graduates can benefit from it.
- Spends more resources to regulate tuition and fee charges and to offer better financial aid programs to students, instead of using money and resources on collection agencies.
- Works hard on creating job opportunities for all citizens.

## **Implications for Research**

Although a review of the literature for this study showed some past research on cost and loans in relation to students' persistence and degree attainment in higher education, more research, especially a longitudinal study following a large sample of students and graduates to understand their views on college costs and loans in relation to other college access and persistence factors, is needed. Both quantitative and qualitative research that will focus on tracking students' out-of-pocket costs to attend college, the type and amount of loans that they incurred, the income that they earned in the first and subsequent years after graduation, and the records of repayments or default will be needed. Research should be done on graduates' education returns on investments. Measuring their average earnings the first year after college, income variations by major and by institution, and students' personal and professional satisfaction towards their education investment is highly recommended.

To fully understand and to improve the high tuition and high student loan crisis, a new line of research should be done not just on students and graduates, but on the higher education income and spending, as well as the student financial aid process. We will need to review, analyze, and learn from other parts of the world to see how they operate their higher education systems. Are other countries facing the same high tuition and high student loans crisis? If yes, are there any solutions have been found or implemented. If not, are any success stories that we could learn from them? If our 21<sup>st</sup> century's education emphasizes job readiness and global competitiveness, we ought to unlearn and relearn, we ought to set new cornerstones and horizons for our education system. Research is the start of the engine!

**Summary of recommendations for research**

- Conducts longitudinal study following a large sample of students and graduates to understand their views on college costs and loans in relation to other college access and persistence factors.
- Executes quantitative and qualitative researches that will focus on tracking students' out-of-pocket costs to attend college, the type and amount of loans that they incurred, the income that they earned in the first and subsequent years after graduation, and the records of repayments or default.
- Studies graduates' education returns on investments. Measuring their average earnings the first year after college, income variations by major and by institution, and students' personal and professional satisfaction towards their education investment.
- Studies and evaluates higher education income and spending, as well as the student financial aid process.
- Reviews, analyzes, and learns from other parts of the world to see how they operate their higher education systems.

**Conclusion**

What I learned from this study has been tremendous, both personally and academically. Personally, I validated how blessed I have been working and learning in the American higher education setting over the past eighteen years, where I was able to receive valuable knowledge and skills. Because of my work and family support, I was the beneficiary of a free education throughout my life. My parents paid for my

undergraduate tuition and fees and my employer paid for my graduate study. I never had to worry about financial arrangements for my education like most students do. In retrospect, I, as a foreign student, would not have had the opportunity and privilege to study and become a citizen in the United States had I not had my parents' support. Likewise, if I had not strategically chosen a work place that would pay for my graduate study, I would most likely have had to borrow loans to attain my master's and doctoral degrees, and I would probably have had to deal with loan-debt implications which would have had affected my studies and personal life.

Academically, this study has taught and prepared me to be more sensitive to the educational issues that exist around the globe. Through the voices of the participants, I have learned that educational issues are cross-cultural and are everybody's business. Through this research study, I have learned that a researcher's role is like a monitor and a speaker. It is our job to bring the real life issues into perspective and give them appropriate attention. As education issues can be personal, sensitive, complex, and confidential, like in this study, I learned that a researcher has to listen to a diverse group of individuals carefully, attentively, and objectively. In essence, I learned the importance of doing every step of the research process right, to respect the voice and opinions of others, to treat the research data with respect and integrity, and to digest, interpret, analyze, and report the data with quality and authenticity. As a doctoral student and a new researcher, I am grateful that the participants in this study trusted me to be an instrument to collect, gather, analyze, digest, and seek for a deeper meaning in this research subject.

This study revealed that the rapid tuition increases and expensive fee costs and the trend to heavily rely on loans to gain access to higher education have affected students' choice of institution, their commitment to persist in college, and their financial well-being during and after college. These case studies provided the loan bearing students with a voice to tell their real life stories in detail and hopefully will provide greater awareness to help future students and their families make informed choices regarding the use of loans for financing higher education. Although a review of the literature for this study showed some past research on costs and loans in relation to students' persistence, degree attainment, and investment in and outcomes of higher education, more research, especially a longitudinal study following a large sample of students and graduates to understand their views on college costs and loans in relation to other college access and persistence factors, is needed. The findings of this study revealed that American higher education is costly and is not affordable in the 21<sup>st</sup> century. Cost was a primary factor of students' college going decision. The majority of students had to rely on financial aid, loans in particular, to gain access to and persist in 2-year or 4-year higher education institutions. Study results indicated that students must have satisfied their human basic needs, e.g., food, shelter, transportation, etc., in order to seek education, otherwise, they would not have been able to pursue, attend, nor persist in their academic journey. Furthermore, the study also revealed that students believed that higher education does provide higher personal satisfaction, in terms of getting valuable skills and knowledge, but does not necessarily guarantee higher earning because of differences in their program of study and other uncontrollable variables such as the economy. Moreover, the study results indicated that there was a lack of in-depth personal financial counseling prior to,

during, and after college for students. Students had no idea about the different types and choices of financial aid programs during the initial entrance. In particular, they had no knowledge of or guidance on loan consequences. During college, students generally could manage the debt burden as long as financial aid continued to be available for them, but not after college. Students reported heavy debt burdens after college. The alarming trend of high student loan debt, and even low debt when compounded with low earnings or unemployment, can really handicap graduates with unmanageable payments that can risk their ability to have a satisfactory life and to provide for the basic needs for their families, and subsequently can increase the possibility being delinquent or default on their loan. When students depart from college with a rock-heavy debt, they carry heavy burdens that prohibit or delay them from making critical decisions and important steps towards improving their lives, decisions that will not only benefit them but also to our society and economy as a whole, such as buying a home, saving for emergencies, getting married, starting a family, starting a business, and saving for retirement. While not generalized to large populations, the results from this study can be used to inform individuals, schools, communities, and governments of the severe impact of high costs and high loan debt to students' well-being and to encourage the establishment of new policies and programs to better construct student financial aid assistance programs.

To conclude this study, I would like to restate part of President Obama's speech at the 2012 Democratic National Convention as a reinforcement of his 2009 Presidential Inauguration speech (which I cited in Chapter 1 on page 2 of this study) to reiterate the challenges of our economy, the challenges of our social issues, the importance of improving our education, and the need for all of us and the government to work together.

After all, education is not just a private good; it is also a public good. It is urgent, relevant, and a shared responsibility for all American citizens.

But know this, America: Our problems can be solved. Our challenges can be met. The path we offer may be harder, but it leads to a better place, and I'm asking you to choose that future.... You can choose a future where more Americans have the chance to gain the skills they need to compete, no matter how old they are or how much money they have. Education was the gateway to opportunity for me. It was the gateway for Michelle. And now more than ever, it is the gateway to a middle-class life.... And now you have a choice—we can gut education, or we can decide that in the United States of America, no child should have her dreams deferred because of a crowded classroom or a crumbling school. No family should have to set aside a college acceptance letter because they don't have the money. No company should have to look for workers in China because they couldn't find any with the right skills here at home. That's not our future.... And government has a role in this. But teachers must inspire; principals must lead; parents must instill a thirst for learning, and students, you've got to do the work. And together, I promise you—we can out-educate and out-compete any country on earth.... Help me recruit 100,000 math and science teachers in the next ten years, and improve early childhood education. Help give two million workers the chance to learn skills at their community college that will lead directly to a job. Help us work with colleges and universities to cut in half the growth of tuition costs over the next ten years. We can meet that goal together. You can choose that future for America. That's our future. (The 44<sup>th</sup> U.S. President Obama, 2012, September 6)

**APPENDIX A (page 1 of 3)**  
**Sample of Participant Consent Form**

My name is Helen Au, and I am a graduate student enrolled in the doctorate program of Educational Administration in the College of Education at the University of Hawai'i at Mānoa. As a partial fulfillment of the doctoral program, I will serve as the principal investigator of a research project that is related to higher education. My dissertation topic is *American Higher Education, High Tuition and High Student Loans: The Debt Implications for Students During and After College*. You are invited to participate in this study because you are a federal student financial aid program recipient or applicant during the year of 2000–2010. Your insight and feedback will tremendously benefit in this study and I sincerely appreciate your participation and commitment.

The purpose of my study is to look at the trends of American higher education in terms of cost and financial aid assistance, specifically loan programs, and identify debt implications for students during and after college. The three research questions will be addressed in this study are:

1. What are students' perceptions on the affordability of American higher education in the 21<sup>st</sup> century (2000–present)? To what extent are students and their families relying on loans to gain access to higher education?
2. What are the debt implications for students and their families during and after college?
3. How do educational attainment and wages affect students' personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?

**Project Description - Activities and Time Commitment:** If you participate, I will interview you once via phone, Skype, or in person, whichever is more convenient to you. The interview will last for about 60 to 90 minutes via Skype or face-to-face meeting. I will record the interview using a digital audio-recorder. I am recording the interview so I can later type a transcript, a written record of what we talked about during the interview, and analyze the information from the interview. I will conduct a post-interview meeting for about 15 to 20 minutes with you via email and phone when the transcript is completed. The purpose of the meeting is to allow you to have an opportunity to check on the accuracy of our meeting dialogs. If there is any error identified, I will make sure the information will be corrected. If you participate, you will be one of a total of fifteen participants who I will interview individually. As this research is related to tuition and fees, financial aid programs, and educational debts, the interviewing questions will touch base on your admissions process, educational attainment, work history, methods to finance education, financial aid type (if any), debt amount, and feelings on loans and debts. Couple examples of the types of question I will ask are: "What is your occupation? How long have you been working since enrolling/completing your program in college? To what extent are you relying on loans to gain access to higher education?"

**APPENDIX A (page 2 of 3)**  
**Sample of Participant Consent Form**

What is your financial aid debt percentage to your disposal income, if any? Describe the debt implications for you during or after college. How did you finance your college education? What type of federal financial aid program did you enroll? Why did you make those choice(s)? In your opinion, what type of financial aid program should the federal and state governments offer the most or provide the biggest support to students? Please explain why?" If you would like to preview a copy of all of the questions that I will ask you, please let me know.

**Benefits and Risks:** I believe there are no direct benefits to you in participating in my research project. However, the results of this project will help me and other researchers learn more about higher education in terms of cost and financial aid assistance, specifically loan programs, and identify debt implications for students during and after college. I believe there is little or no risk to you in participating in this project. If, however, you are uncomfortable or stressed by answering any of the interview questions, we will skip the question, or take a break, or stop the interview, or withdraw from the project altogether.

**Confidentiality and Privacy:** During this research project, I will keep all data from the interviews in a secure location. Only I will have access to the data, although legally authorized agencies, including the University of Hawai'i Committee on Human Studies, have the right to review research records.

After I transcribe the interviews, I will erase the audio-recordings. All other research records will be destroyed upon completion of the project. When I report the results of my research project, and in my typed transcripts, I will not use your name or any other personally identifying information. Instead, I will use a pseudonym (fake name) for your name. If you would like a summary of the findings from my final report, please contact me at the number listed near the end of this consent form.

**Voluntary Participation:** Participation in this research project is voluntary. You can choose freely to participate or not to participate. In addition, at any point during this project, you can withdraw your permission without any penalty of loss of benefits.

**Questions:** If you have any questions regarding this research study, please contact me via phone at [REDACTED] or email at [REDACTED]. For questions about the research study, policies, and procedures, please contact my dissertation chairperson Dr. Stacey Roberts at [REDACTED] or email at [REDACTED]. If you have any questions about your rights as a research participant, in this project, you can contact the University of Hawai'i, Committee on Human Studies (CHS), by phone at (808) 956-5007 or by e-mail at [uhirb@hawaii.edu](mailto:uhirb@hawaii.edu).

**APPENDIX A (page 3 of 3)**  
**Sample of Participant Consent Form**

If you agree to participate in this project, please sign the following signature section of this consent form and return it to Helen Au at [REDACTED], Honolulu, HI 96814 by using the attached self-addressed envelope OR email it to [REDACTED]

-----  
Please acknowledge your willingness to participate in this research study by signing below. Mahalo!  
-----

**Signature(s) for Consent:** I agree to participate in the research project entitled, *American Higher Education, High Tuition and High Student Loans: The Debt Implications for Students During and After College*. I understand that I can change my mind about participating in this project, at any time, by notifying the researcher.

**Your Name (Print):** \_\_\_\_\_

**Your Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Best Contact Phone:** \_\_\_\_\_

**Best Contact Email:** \_\_\_\_\_

**Skype Address:** \_\_\_\_\_

**Your attention and favorable reply to this request is greatly appreciated!**

**APPENDIX B (page 1 of 4)**  
**Interview Protocol: Semi-structured and Guided Interview**

**Purpose of Interview**

This research will utilize case study to answer the three research questions, particularly the third question regarding loan implications for students and their families during and after college. I expect the process of conducting this research will be carefully designed and the execution will be a complex, time-consuming, and a rewarding journey. Case study is an intensive description and analysis of a phenomenon or social unit such as an individual, group, institution, or community (Merriam and Associates, 2002). Through this research case study, my goal is to yield an in-depth description, analysis, and understanding of the cost and financial aid impacts on students during and after college. Hence, semi-structured and guided interview protocol with open-ended questions will be used to provide ample opportunities for participants or interviewees to elaborate their thoughts and experiences. My findings would hopefully create greater awareness and conversations of the implications of the current financial aid programs and to encourage new policy formation for affordable higher education in America.

**Research Questions**

1. What are students' perceptions on the affordability of American higher education in the 21<sup>st</sup> century (2000–present)? To what extent are students and their families relying on loans to gain access to higher education?
2. What are the debt implications for students and their families during and after college?
3. How do educational attainment and wages affect students' personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?

**APPENDIX B (page 2 of 4)**  
**Interview Protocol: Semi-structured and Guided Interview**

**Attributes of Participants**

Having fifteen participants is the target interview size in this study. The attributes of my participants will consist of: 1) direct and indirect experience in any student financial aid programs in the past ten years, 2) age 18 or older; is a current student OR a UH graduate from one of the ten University of Hawaii campuses, and 3) a willingness to participate in the study.

**Guided Interview Questions**

1. What is your name (A name that you would like to use to cover your identity in this research study)?
2. What is your age group—18-22, 23-27, 28-32, 33-37, 38-42, 43-47, 48-52, 53-57, 58-62, 63-67?
3. What is your ethnicity?
4. What is your marital status?
5. How many dependents do you have?
6. Are you currently working? Are you working full time/part time? Did you work while you were in school? Part-time/Full-time?
7. What is your occupation? How long have you been working since enrolling or completing your program in college?
8. What motivated you to pursue a college education?
9. How did your socioeconomic background influence your desire/motivation to pursuing a college education?
10. How did your academic performance influence your desire/motivation to pursue a college education?

11. How did you select a college or university for admissions? What were the determining factors?
12. How did you arrive at an initial commitment to enroll in higher education? What were the determining factors?
13. In what ways did/do the fulfillment of basic needs (e.g., food, shelter, transportation, clothing, etc.) affect you from going, staying, and graduating from college (please answer to the stage(s) that is/are applicable to you)?
14. What motivated you to register and attend college?
15. What are some of the major factors that influenced your persistence in college?
16. What was your path like when attending college?
17. What is/was your program of study?
18. What is your highest educational attainment?
19. What is your parents' highest educational attainment?
20. Which college/university (2 or 4 years) did you attend or currently attending?
21. How long were you/have you been in college/university? Did you graduate or intend to graduate?
22. How many hours did/do you work per week during college?
23. What were your perceptions of your own financial circumstances before, during, and after college (please answer to the stage(s) that is/are applicable to you)?
24. Define for me what is federal student financial aid program.
25. Could you describe how affordable is American higher education in the 21<sup>st</sup> century? How do you define affordability?
26. How did you finance your college education?
27. How much did you know about your financial aid options and responsibilities? Who advised you upon entry and during college? What and how was the information given to you?
28. What type of federal financial aid program did you enroll? Why did you make those choice(s)?

29. In your opinion, what type of financial aid program should the federal and state governments offer the most or should provide the biggest support to students? Please explain why?
30. What is your total financial aid debt, if any?
31. What is your financial aid debt percentage to your disposable income, if any?
32. Describe the debt implications for you during college.
33. Describe the debt implications for you after college.
34. Describe for me how important is/was the federal student financial aid program for you to gain access to higher education.
35. Describe for me how important is/was the federal student financial aid program for you to persist in college.
36. What happened when you took out loans? Describe for me your emotional, social, and economical life before, during, and after college. Share the stage(s) that is/are applicable to you. Does having a loan prevent you from having other options in life?
37. What is your plan for paying off your student loans?
38. Would you consider American higher education as a great investment for yourself and everyone? If so, why? If not, why not?
39. What is your current personal annual income—\$0-\$29,999; \$30,000-\$49,999; \$50,000-\$79,999, \$80,000-\$109,999, \$110,000-\$129,999, \$130,000-\$149,999, >\$150,000?
40. What is your current household annual income——\$0-\$29,999; \$30,000-\$49,999; \$50,000-\$79,999, \$80,000-\$109,999, \$110,000-\$129,999, \$130,000-\$149,999, >\$150,000?
41. What is your outlook of your future earning potential?
42. How do you perceive education and degree attainment in relations to productivity and wages?
43. How do educational attainment and wages affect your personal and professional satisfaction?
44. Do you perceive education as a worthwhile investment for life? How so? In what way? Have your perception been changed since your first entry to college?

**APPENDIX C (page 1 of 8)**  
**Research Guide/Crosswalk Table**

	<b>Interview Questions</b>	<b>Research Questions</b>			<b>Theoretical Framework</b>		
		1. What are students' perceptions of the affordability of American higher education in the 21 <sup>st</sup> century (2000-present)? To what extent are students and families relying on loans to gain access to higher education?	2. What are the debt implications for students and families during and after college?	3. How do educational attainment and wages affect student's personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?	<b>Nexus Model of College Choice and Persistence:</b> changes over time in financial-aid packages can influence students' academic and social integration processes, as well as their subsequent persistence decisions	<b>Motivational Theory:</b> Higher-order needs = (self-esteem + self-actualization + basic needs are satisfied, e.g., food, shelter, transportation, Clothing, etc.)	<b>Human Capital Theory:</b> Postulates that expenditure on training and education is costly, and should be considered an investment since it is undertaken with a view to increasing personal incomes
1.	What is your pseudonym (fake) name?						
2.	What is your age group—18-22, 23-27, 28-32, 33-37, 38-42, 43-47, 48-52, 53-57, 58-62, 63-67?				X	X	
3.	What is your ethnicity?	X	X		X	X	
4.	What is your marital status?	X	X		X	X	
5.	How many dependents do you have?	X	X		X	X	
6.	Are you currently working? Are you working full time/part time? Did you work while you were in school? Part-time/Full-time?	X	X		X	X	X
	<b>(Continued on next page)</b>						



**APPENDIX C (page 3 of 8)**  
**Research Guide/Crosswalk Table**

	<b>Interview Questions</b>	<b>Research Questions</b>			<b>Theoretical Framework</b>		
		1. What are students' perceptions of the affordability of American higher education in the 21 <sup>st</sup> century (2000-present)? To what extent are students and families relying on loans to gain access to higher education?	2. What are the debt implications for students and families during and after college?	3. How do educational attainment and wages affect student's personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?	<b>Nexus Model of College Choice and Persistence:</b> changes over time in financial-aid packages can influence students' academic and social integration processes, as well as their subsequent persistence decisions	<b>Motivational Theory:</b> Higher-order needs = (self-esteem + self-actualization + basic needs are satisfied, e.g., food, shelter, transportation, clothing, etc.)	<b>Human Capital Theory:</b> Postulates that expenditure on training and education is costly, and should be considered an investment since it is undertaken with a view to increasing personal incomes
12.	What are your parents' highest educational attainments?			X			
13.	Which college or university (2 or 4 years) did you attend or currently attending?	X	X	X	X	X	
14.	What motivated you to register and actually attend college?				X	X	X
15.	What are some of the major factors that influenced your persistence in college?				X	X	X
16.	What was your path like when attending college?	X	X	X	X	X	
17.	What is/was your program of study?			X	X		
18.	What is your highest educational attainment?	X	X	X	X	X	X
19.	What is your parents' highest educational attainment?			X	X	X	X
20.	Which college/university (2/4 years) did you attend or currently attending?	X	X	X	X	X	X

**APPENDIX C (page 4 of 8)**  
**Research Guide/Crosswalk Table**

	<b>Interview Questions</b>	<b>Research Questions</b>			<b>Theoretical Framework</b>		
		1. What are students' perceptions of the affordability of American higher education in the 21 <sup>st</sup> century (2000-present)? To what extent are students and families relying on loans to gain access to higher education?	2. What are the debt implications for students and families during and after college?	3. How do educational attainment and wages affect student's personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?	<b>Nexus Model of College Choice and Persistence:</b> changes over time in financial-aid packages can influence students' academic and social integration processes, as well as their subsequent persistence decisions	<b>Motivational Theory:</b> Higher-order needs = (self-esteem + self-actualization + basic needs are satisfied, e.g., food, shelter, transportation, clothing, etc.)	<b>Human Capital Theory:</b> Postulates that expenditure on training and education is costly, and should be considered an investment since it is undertaken with a view to increasing personal incomes
21.	How long were you/have you been in college/university? Did you graduate or intend to graduate?	X	X	X	X	X	X
22.	How many hours did you work per week during college?	X	X	X	X	X	
23.	What were your perceptions of your own financial circumstances before, during, and after college (please answer to the stage(s) that is/are applicable to you)?	X	X	X	X	X	X
24.	Define for me what is federal student financial aid program.	X	X		X	X	X
25.	Could you describe how affordable is American higher education in the 21 <sup>st</sup> century? How do you define affordability?	X	X				
26.	How did you finance your college education?	X	X	X	X	X	X
	<b>(Continued on next page)</b>						

**APPENDIX C (page 5 of 8)**  
**Research Guide/Crosswalk Table**

	<b>Interview Questions</b>	<b>Research Questions</b>			<b>Theoretical Framework</b>		
		1. What are students' perceptions of the affordability of American higher education in the 21 <sup>st</sup> century (2000-present)? To what extent are students and families relying on loans to gain access to higher education?	2. What are the debt implications for students and families during and after college?	3. How do educational attainment and wages affect student's personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?	<b>Nexus Model of College Choice and Persistence:</b> changes over time in financial-aid packages can influence students' academic and social integration processes, as well as their subsequent persistence decisions	<b>Motivational Theory:</b> Higher-order needs = (self-esteem + self-actualization + basic needs are satisfied, e.g., food, shelter, transportation, clothing, etc.)	<b>Human Capital Theory:</b> Postulates that expenditure on training and education is costly, and should be considered an investment since it is undertaken with a view to increasing personal incomes
27.	How much did you know about your financial aid options and responsibilities? Who advised you upon entry and during college? What and how was the information given to you?	X	X		X	X	
28.	What type of federal financial aid did you enroll? Why did you make those choice(s)?	X	X	X	X	X	
29.	In your opinion, what type of financial aid program should the federal and state governments offer the most or should provide the biggest support to students? Please explain why?	X	X	X	X	X	X
30.	What is your total financial aid debt, if any?	X	X	X	X	X	X
31.	What is your financial aid debt percentage to your disposable income, if any?		X	X	X	X	
32.	Describe the debt implications for you in college.	X	X	X	X	X	





**APPENDIX C (page 8 of 8)**  
**Research Guide/Crosswalk Table**

	Interview Questions	Research Questions			Theoretical Framework			
		1. What are students' perceptions of the affordability of American higher education in the 21 <sup>st</sup> century (2000-present)? To what extent are students and families relying on loans to gain access to higher education?	2. What are the debt implications for students and families during and after college?	3. How do educational attainment and wages affect student's personal and professional satisfaction? Do they perceive education as a worthwhile investment for life? How so and in what way?		<b>Nexus Model of College Choice and Persistence:</b> changes over time in financial-aid packages can influence students' academic and social integration processes, as well as their subsequent persistence decisions	<b>Motivational Theory:</b> Higher-order needs = (self-actualization + basic needs are satisfied, e.g., food, shelter, transportation, clothing, etc.)	<b>Human Capital Theory:</b> Postulates that expenditure on training and education is costly, and should be considered an investment since it is undertaken with a view to increasing personal incomes
41.	What is your outlook of your future earning potential?			X	X	X	X	
42.	How do you perceive education and degree attainment to productivity and wages?			X			X	
43.	How do educational attainment and wages affect your personal and professional satisfaction?						X	
44.	Do you perceive education as a worthwhile investment for life? How so? In what way? Have your perception been changed since your first entry to college?			X			X	

**APPENDIX D**  
**Research Guide/Crosswalk Table (page 1 of 5)**  
**Application to the University of Hawai'i Office of Research Compliance Human**  
**Studies Program for a New Approval of a Study Involving Human Subjects**

CHS 10/09

CHS # \_\_\_\_\_

**Application for New Approval of a Study Involving Human Subjects**

University of Hawai'i, Committee on Human Studies (CHS)  
 Biomedical Bldg, Room B-104, 1960 East-West Road. Honolulu, Hawai'i 96822  
 Telephone: (808) 956-5007

Date: 1/16/2012PI (name & title): Helen Au, Doctoral Student Email: \_\_\_\_\_ Phone: \_\_\_\_\_Department: UHM College of Education Educational Administration Faculty or Staff  Student - name of supervising professor: Stacey Roberts, Ph.D.Training in Human Subject Protection: When, where, & what? (optional)Yes. I received trainings in Human Subject Protection at the following classes:In Spring 2012 at the EDCS 632 Qualitative Research class at UH Manoa. Professor is Anne Freese. I am currently working as a teaching assistant in the classIn Spring 2011 at the EDCS 761 Dissertation and Writing class at UH Manoa. Speaker was Dr. Dennis McDougallIn Spring 2006 at the EDEA 608 Survey Research Design and Analysis class at UH Manoa. Professor was John GartrellIn Fall 2006 at the EDEA 602 Research in Educational Administration class at UH Manoa. Professor was Ernestine EnomotoIn Spring 2005 at the EDEA 604 Qualitative Research Methodology class at UH Manoa. Professor was Ernestine EnomotoProject Title: AMERICAN HIGHER EDUCATION, HIGH TUITION, AND HIGH STUDENT LOANS: THE DEBT IMPLICATIONS FOR STUDENTS DURING AND AFTER COLLEGE. A CASE STUDY AT THE UNIVERSITY OF HAWAIIProposed Sponsoring Agency: N/A Start Date: March 1, 2012Complete Agency address: N/AInstitutional Biosafety Committee (IBC) Review: N/A

Researchers proposing projects involving r-DNA molecules or any biological materials, toxins, agents, etc., referred to as biological commodities, must submit appropriate Biological Safety Program forms.

Does this project involve the use of biohazardous materials, recombinant DNA and/or gene therapy?

 Yes. If so, Institutional Biosafety Committee (IBC) approval must be obtained. No

Has the Institutional Biosafety Committee approved the protocol?

 Approved Application PendingDate Approved: N/ADate Submitted: N/A(for more information check: [www.hawaii.edu/ehso](http://www.hawaii.edu/ehso))

## 1. Summarize your proposed research. Outline objectives and methods.

The purpose of this study is to look at the trends of American higher education in terms of cost and financial aid assistance, specifically loan programs, and identify debt implications for students during and after college. The qualitative data generated in this study will be used to answer the three research questions:

1. What are students' perceptions of the affordability of American higher education in the 21<sup>st</sup> century (2000-2011)?
2. To what extent are students and families relying on loans to gain access to higher education?
3. What are the loan implications on students and families during and after college?

This study will use qualitative method to answer the research questions. Multiple case studies will be used to capture descriptive information and dialogs from students and families. According to Merriam (1998), multiple cross-case analysis should strengthen external validity and enhance the generalizability or transferability of the findings. I will interview fifteen participants, the sample group, to collect information on students' perspectives on higher education affordability, financial aid, and loan implications on them during and after college. I will contact the University of Hawai'i's financial aid offices to discuss logistics for the target population. A snowball sampling method will be employed to yield the target interviewee number. Moreover, I will conduct interviews and meetings with financial aid borrowers, financial aid officers, and policy makers to obtain descriptive references and quotations. To triangulate the data sources, a review of media headlines in the past five years about tuition and financial aid debt burdens will also be conducted.

## 2. Summarize all involvement of humans in this project (who, how many, age, sex, length of involvement, frequency, etc.) and the procedures they will be exposed to. Attach survey instrument, if applicable.

Fifteen is the target sampling size in the study. To accomplish this goal, purposeful and snowball samplings will be employed in this study. University of Hawai'i's financial aid offices will be approached to discuss logistics to harvest target population. A letter detailing the purpose, process, and expectations of the research study will be used for recruitment of the participants (see Appendix A). Merriam (1998) stated that "purposeful sampling is based on the assumption that the investigators wants to discover, understand, and gain insight and therefore must select a sample from which the most can be learned" (p. 61). Hence, sampling criteria will be established to account for variables, e.g., gender, age, ethnicity, school type, social economical status, highest college attainment, etc. that are most directly linked to the purpose of the study. Creswell (2007)

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### Application to the University of Hawai'i Office of Research Compliance Human Studies Program for a New Approval of a Study Involving Human Subjects

defines this approach as determining selection criteria that differentiates the sites or participants in advance, and then choosing sites or participants that are different and diverse on the criteria. In addition, a snowball sampling method will be employed to yield the target sampling size. Snowball sampling is perhaps the most common form of purposeful sampling. This strategy involves asking each participant or group of participants to refer you to other participants (Merriam, 1998, p. 62-3). The attributes of my participants will consist of: 1) direct and indirect experience in any student financial aid programs in the past ten years, 2) a diverse age, gender, and ethnic background, 3) current students and graduates from 2-year and 4-year higher education institutions, and 4) a willingness to participate in the study. Interviews and meetings with financial aid officers and policy makers will be also used as descriptive references and quotations. To triangulate the data sources, a review of media headlines in the past five years about tuition and financial aid debt burdens will also be conducted.

I will incorporate several procedural protocols vital in qualitative research: 1) building rapport with participant, 2) providing clear and concise communication tools to participants, and 3) conducting the interviews and documenting any relevant information.

Building rapport and trust with my participants will be the first and foremost step that I will take at the procedure stage. I acknowledge that the relationship that I will cultivate with the participants in my study will be a complex and rewarding one. I understand that as the researcher of the study, I am the instrument of the research, and the research relationships that I establish with the participant are the means by which the research gets done with quality. These relationships have an effect not only on the participants in my study, but also on me and other parts of the research design. Hence, I will promote a professional working research partnership with my participants throughout the research period and have myself and the participants take professional ownership of the study. My ultimate goal is to make participants feel that the research study is a worthwhile experience to them individually and to the community at large—if new knowledge can be generated from the research study. As stated by Weiss (1944): What is essential in interviewing is to maintain a working research partnership. You can get away with phrasing questions awkwardly and with a variety of other errors that will make you wince when you listen to the tape later. What you can't get away with its failure to work with the respondent as a partner in the production of useful material. (p. 119)

Providing clear and concise communication tools to participants is the second procedural protocol that I will need to execute. It is fair to say that what is a research project for me as the researcher is always, to some degree, an intrusion into the lives of the participants in my study. They are all volunteers who take directions from the researchers. Thus, the more information that I could provide to the participants as to what they will need to do in the study, the better the results that I could yield from their sharing. A consent form (see Appendix A of the attached proposal) detailing the purpose, timeline, and scope of work of the study will be provided to the participants prior to the actual interview, so surprises, questions, and awkward moments will cut down to the minimal. Designed by Creswell (1998), a consent form that participants will complete in this study will address the following:

- The participant's right to voluntarily withdraw from the study at any time.
- The central purpose of the study and the procedures to be used in data collection.
- Comments about protecting the confidentiality of the respondents.
- A statement about known risks associated with participation in the study.
- The expected benefits to accrue to the participants in the study.
- A place for participant and researcher to sign and date the form.

Conducting the interviews and documenting information from participants is the third important procedure that I will need to pay extra attention to. As my target participant number is fifteen, I am expecting to spend a lot of time on pre-and-post interview communications with my participants. I will develop an interview protocol and construct a set of open-ended and guided interview questions for the participants (see Appendix B of the attached proposal). The advantage of using an open-ended question is it explores a participant's deep and first-hand knowledge about the research subject. In addition, open-ended questions allow the interviewer and interviewee to focus on life experience, which is in-depth and intimate discussion beyond what ordinary conversational permits. Notes and videos will be the primary tools to document the interviews. I expect each interview will take about one to two hours long to conduct. As case study will be used in the qualitative part of the study and multiple sources of information such as observations, interviews, audio-visual material, documents, and reports are commonly used tools in the case study to gather information, I will have an open mind to explore those options as data generation for the study as well. At this juncture, I have yet to determine the interviewing site, as I do not have any information of my participants' background yet. Possible locations that are convenient to the participants and are conducive to interviewing and recording include, but are not limited to, one of the University of Hawai'i campuses, participant's office, participant's home, and on-line Skype video-chatting room. A table (see Appendix C of the attached proposal) listing all the interview questions, research questions, and the theoretical framework will be used as a guide for the interviews.

Check whether any subject of your research will be selected from the following categories:

- |                                    |  |  |                                  |
|------------------------------------|--|--|----------------------------------|
| <input type="checkbox"/> Minors    | <input type="checkbox"/> Pregnant Women      | <input type="checkbox"/> Mentally Disabled | <input type="checkbox"/> Fetuses |
| <input type="checkbox"/> Abortuses | <input type="checkbox"/> Physically Disabled | <input type="checkbox"/> Prisoners         |                                  |

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3. Research involving humans often exposes the subjects to risks: For the purpose of this application, "risk" is defined as exposure of any person to the possibility of injury, including physical, psychological, or social injury, as a consequence of participation as a subject in any research, development, or related activity which departs from the application of those established and accepted methods necessary to meet his needs, or which increases the ordinary risks of daily life, including the recognized risks inherent in a chosen occupation or field or service.

- a. Check all the risks to human subjects that apply to your project:
- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Physical trauma or pain                | <input type="checkbox"/> Deception                  | <input type="checkbox"/> Experimental diagnostic procedures |
| <input type="checkbox"/> Side effects of medications            | <input checked="" type="checkbox"/> Loss of privacy | <input type="checkbox"/> Experimental treatment procedures  |
| <input type="checkbox"/> Contraction of disease                 | <input type="checkbox"/> Worsening of illness       | <input type="checkbox"/> Other – explain                    |
| <input checked="" type="checkbox"/> Psychological pain (Stress) | <input type="checkbox"/> Loss of legal rights       |   |

While it is unlikely, there is a slight chance that participants in this study may experience psychological stress as the result of delving into past and/or current circumstances and conditions that may be stressful to revisit. Additionally, while every measure will be taken to ensure privacy through the use of pseudonym, a loss of privacy could still be a possibility even if it is just between the participant and the principle investigator.

- b. Check procedures that will be used to protect human participants from risks:
- |  |
|--|
| <input type="checkbox"/> M.D. or other appropriately trained individuals in attendance   |
| <input type="checkbox"/> Sterile equipment   |
| <input type="checkbox"/> Precautions in use of stressor or emotional material (explain below)  |
| <input type="checkbox"/> When deception used, subjects fully informed as to nature of research at feasible time (explain below)                |
| <input type="checkbox"/> Procedures to minimize changes in self-concept (explain below)  |
| <input checked="" type="checkbox"/> Confidentiality of subjects maintained via <del>code numbers</del> <b>[pseudonyms]</b> and protected files |
| <input checked="" type="checkbox"/> Anonymity - no personally identifiable information collected   |
| <input type="checkbox"/> Others—explain  |

As stated in the Participant Consent Form, "**Confidentiality and Privacy:** during this research project, I will keep all data from the interviews in a secure location. Only I will have access to the data, although legally authorized agencies, including the University of Hawaii Committee on Human Studies have the right to review research records. After I transcribe the interviews, I will erase the audio-recordings. When I report the results of my research project, and in my typed transcripts, I will use not use your name or any other personally identifying information. Instead, I will use a pseudonym (fake name) for your name. All other research records will be destroyed upon completion of the project."

- c. Has provision been made to assure that Human Subjects will be indemnified for expenses incurred as a direct or indirect result of participating in this research?
- |   |
|---|
| <input checked="" type="checkbox"/> Not applicable  |
| <input type="checkbox"/> No - The following language should appear in the written consent form: <b><i>I understand that if I am injured in the course of this research procedure, I alone may be responsible for the costs of treating my injuries.</i></b> |
| <input type="checkbox"/> YES, explain:  |

The written consent form in my study has this language listed "***I understand that if I am injured in the course of this research procedure, I alone may be responsible for the costs of treating my injuries.***" All participants are required to sign the written consent form to acknowledge their full understanding of the terms and conditions listed in my study.

- d. Are there non-therapeutic tests that the research subjects may be required to pay for? There is none.
- |  |
|--|
| <input checked="" type="checkbox"/> Not applicable   |
| <input type="checkbox"/> No  |
| <input type="checkbox"/> Yes - explain below. The following language should appear in the written consent form: <b><i>I understand that I may be responsible for the costs of procedures that are solely part of the research project.</i></b> |

4. Describe mechanism for safety monitoring: How will you detect if greater harm is accruing to your subjects than you anticipated? What will you do if such increased risk is detected?

I believe that there is little or very minimal risk that participants may experience in this research study. Minimal risk means that the probability and magnitude of harm or discomfort anticipated in the research are not greater in and of themselves than those ordinarily encountered in daily life or during the performance of routine physical or psychological examinations or tests. The process for detecting and reporting serious and unexpected adverse events and/or unanticipated problem involved risk to participants include the following safety monitoring plan:

- Using a written consent form (see Appendix A of the attached proposal).

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### Application to the University of Hawai'i Office of Research Compliance Human Studies Program for a New Approval of a Study Involving Human Subjects

The written consent form detailing the purpose, timeline, scope of work of the study, and where to contact for inquiries and questions will be provided to the participants prior to the actual interview, so surprises, questions, and awkward moments will cut down to the minimal and participants will know exactly where to contact and what to do when unexpected adverse events occurred. The consent form stated:

*"Benefits and Risks: I believe there are no direct benefits to you in participating in my research project. However, the results of this project will help me and other researchers learn more about higher education in terms of cost and financial aid assistance, specifically loan programs, and identify debt implications for students during and after college. I believe there is little or no risk to you in participating in this project. If, however, you are uncomfortable or stressed by answering any of the interview questions, we will skip the question, or take a break, or stop the interview, or withdraw from the project altogether.*

*Voluntary Participation: Participation in this research project is voluntary. You can choose freely to participate or not to participate. In addition, at any point during this project, you can withdraw your permission without any penalty of loss of benefits.*

*Questions: If you have any questions regarding this research study, please contact me via phone at [REDACTED] or email at [REDACTED]. For questions about the research study, policies, and procedures, please contact my dissertation chairperson Dr. Stacey Roberts at [REDACTED] or email at [REDACTED]. If you have any questions about your rights as a research participant, in this project, you can contact the University of Hawai'i, Committee on Human Studies (CHS), by phone at (808) 956-5007 or by e-mail at [uhirb@hawaii.edu](mailto:uhirb@hawaii.edu)."*

2. As the principle investigator it would be my role to watch for signs of anxiety or discomfort being displayed by the participant and apply measured responses.

#### **Psychological Stress**

##### Mild to Moderate Anxiety

- Suggest a break from the discussion
- Suggest to revisit the question or topic later in the interview
- Suggest that the question or topic is revisited at a later date
- As the format of the interview is semi-structured – redirect the questioning to pursue the issue of anxiety as part of the discovery process

##### Severe Anxiety

- Discontinue the line of questioning and move on to another less sensitive area
- Discontinue the session, suggesting to reschedule on another date
- Discontinue the session, offering the participant the option to withdraw from the study

As I stated in my participant consent form, *"Benefits and Risks: I believe there are no direct benefits to you in participating in my research project. However, the results of this project will help me and other researchers learn more about higher education in terms of cost and financial aid assistance, specifically loan programs, and identify debt implications for students during and after college. I believe there is little or no risk to you in participating in this project. If, however, you are uncomfortable or stressed by answering any of the interview questions, we will skip the question, or take a break, or stop the interview, or withdraw from the project altogether."*

#### **Loss of privacy**

As I defined in my participant consent form, *"Confidentiality and Privacy: During this research project, I will keep all data from the interviews in a secure location. Only I will have access to the data, although legally authorized agencies, including the University of Hawai'i Committee on Human Studies, have the right to review research records. After I transcribe the interviews, I will erase the audio-recordings. All other research records will be destroyed upon completion of the project. When I report the results of my research project, and in my typed transcripts, I will not use your name or any other personally identifying information. Instead, I will use a pseudonym (fake name) for your name. If you would like a summary of the findings from my final report, please contact me at the number listed near the end of this consent form."*

5. Briefly describe the benefits that will accrue to each human subject or to humankind in general, as a result of the individual's participation in this project, so that the committee can access the risk benefit/ratio.

The benefits of this study that will accrue to humankind could be enormous, since the erosion of federal student aid programs has limited the ability of states to ensure financial access for individuals in recent years. While the cost of attending college has continued to rise over the last decade, the increasing trend of reliance on federal and private loans to pay for higher education is particularly noticeable. Considering that the central objective of financial aid is to provide equal opportunity to students, it is crucial to examine if loans promote educational opportunity, not just measured in terms of access (getting students in the college door), but in terms of success (completing a degree and having financial stability in life). Education in society is supposed to provide social, economical, and psychological growth and wellness to individuals; if we are pricing out students, we are failing students and society. In order for policymakers, as well as students and their families, to make informed choices regarding the use of loans for financing higher education, more information is needed regarding their effectiveness in promoting college access, choice, persistence, and degree attainment. In addition, more studies are needed

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**Application to the University of Hawai'i Office of Research Compliance Human Studies Program for a New Approval of a Study Involving Human Subjects**

on how incurring student loans affect students after they complete college. In general, this study is to create greater awareness of some of the implications of the current financial aid programs and to encourage new policy formation for affordable higher education.

**6. Participation must be voluntary: the participants cannot waive legal Rights, and must be able to withdraw at any time without prejudice.** Indicate how you will obtain informed consent:

- Subject (or Parent/Guardian) reads complete consent form & signs ('written' form)  
 Oral briefings by PI or project personnel, with simple consent form ('oral' form). Explain below the reason(s) why a written consent form is not used  
 Other- explain

The written consent form (see Appendix A of the attached proposal) for my study has the following language listed and all participants are required to sign the written consent form to acknowledge their full understanding of the terms and conditions listed in my study.

**"Voluntary Participation:** Participation in this research project is voluntary. You can choose freely to participate or not to participate. In addition, at any point during this project, you can withdraw your permission without any penalty of loss of benefits.

**Questions:** If you have any questions regarding this research study, please contact me via phone at [REDACTED] or email at [REDACTED]. For questions about the research study, policies, and procedures, please contact my dissertation chairperson Dr. Stacey Roberts at [REDACTED] or email at [REDACTED]. If you have any questions about your rights as a research participant, in this project, you can contact the University of Hawai'i, Committee on Human Studies (CHS), by phone at (808) 956-5007 or by e-mail at [uhirb@hawaii.edu](mailto:uhirb@hawaii.edu)."

**7. Are there any other local IRB's reviewing this proposal?**  No  Yes, Location: \_\_\_\_\_

I affirm:

- (i) that the above and any attachments are a true and accurate statement of the proposed research and of any and all risks to human subjects.

Signed: \_\_\_\_\_ Date: 2/9/2012  
Principal Investigator

Signed: \_\_\_\_\_ Date: 2/9/2012  
Supervising Professor (required if PI is a student)

\* Submit the ORIGINAL plus 12 copies of this form with the following attachments:

- Three (3) copies of proposal
  - Thirteen (13) copies of all consent forms
  - Thirteen (13) copies of any other information to be read or presented to the participants
  - Thirteen (13) copies of verbal information to be given if short form is used
  - Thirteen (13) copies of the survey instrument
- (Please consult with the CHS staff if providing the survey instrument is a problem.)

\* This is for proposals needing to go to full Committee review only. Not all applications need to go to full Committee. If this

is a project that may qualify for either exempt or expedited approval, the required submission is an original signed application and related forms described above, and one copy of each (two complete sets). Please check with CHS Staff if you have questions about the level of review of your proposal.

**APPENDIX E**  
**Approval Letter from the University of Hawai'i Office of Research Compliance**  
**Human Studies Program**



UNIVERSITY  
of HAWAII<sup>®</sup>  
MĀNOA

Office of Research Compliance  
Human Studies Program

March 7, 2012

TO: Helen Au  
Principal Investigator  
College of Education - Educational Administration

FROM: Nancy R. King  
Director

Re: CHS #19968- "American Higher Education, High Tuition, and High Student Loans: The Debt Implications for Students During and After College"

This letter is your record of the Human Studies Program approval of this study as exempt.

On March 7, 2012, the University of Hawai'i (UH) Human Studies Program approved this study as exempt from federal regulations pertaining to the protection of human research participants. The authority for the exemption applicable to your study is documented in the Code of Federal Regulations at 45 CFR 46 (2).

Exempt studies are subject to the ethical principles articulated in The Belmont Report, found at <http://www.hawaii.edu/irb/html/manual/appendices/A/belmont.html>

Exempt studies do not require regular continuing review by the Human Studies Program. However, if you propose to modify your study, you must receive approval from the Human Studies Program prior to implementing any changes. You can submit your proposed changes via email at [uhirb@hawaii.edu](mailto:uhirb@hawaii.edu). (The subject line should read: Exempt Study Modification.) The Human Studies Program may review the exempt status at that time and request an application for approval as non-exempt research.

In order to protect the confidentiality of research participants, we encourage you to destroy private information which can be linked to the identities of individuals as soon as it is reasonable to do so. Signed consent forms, as applicable to your study, should be maintained for at least the duration of your project.

This approval does not expire. However, please notify the Human Studies Program when your study is complete. Upon notification, we will close our files pertaining to your study.

If you have any questions relating to the protection of human research participants, please contact the Human Studies Program at 956-5007 or [uhirb@hawaii.edu](mailto:uhirb@hawaii.edu). We wish you success in carrying out your research project.

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An Equal Opportunity/Affirmative Action Institution

**APPENDIX F**  
**Recruitment Flyer**

The University of Hawai`i is conducting a research study:

***American Higher Education, High Tuition and High Student Loans: The Debt Implications for Students During and After College. A Case Study at the University of Hawai'i***

**Do you have the following attributes?**

- 1) Have direct and indirect experience in any student federal financial aid programs in the past ten years,
- 2) Age 18 or older. A current UH student OR UH graduate (from one of the ten UH campuses), and
- 3) A willingness to participate in the study.

If the answer is **YES** to **ALL** three attributes...

**You are invited to participate in a research study.**

The purpose of this research study is to look at the trends of American higher education in terms of cost and financial aid assistance, specifically loan programs, and identify debt implications for students during and after college.

- There will be two meetings for this research study. One will be 60-90 minutes semi-structured interview via Skype or face-to-face meeting. The other will be 15-20 minutes via email and phone to verify transcripts. The actual meeting location will be determined.
- There are no direct benefits of participating in this research study.
- A summary of the results of this research study will be available to participants.

**To learn more about the research study, please contact Helen Au, Principal Investigator, at [REDACTED] or [REDACTED].**

Helen Au is a graduate student enrolled in the doctorate program of Educational Administration in the College of Education at the University of Hawai'i at Mānoa (UHM). This research study is related to American higher education and it is a partial fulfillment of her doctoral program.

UH IRB Approval Date: March 7, 2012

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