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What I Wish I Had Known: College Graduates' Experience of Student Debt

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Abstract

The notable increase in student debt in recent years has made students concerned about the impact of such debt on their future lives. Higher education arguably remains one of the best life investments; however, the vehicle established to make higher education accessible may cause unforeseen harm to students. The literature has indicated that over one third of the individuals pursuing higher education take on student loans. However, limited qualitative research existed on the implications of student loans for student borrowers. Few researchers had addressed how students perceive the effects of their student loans and the student loan process. The implications of student loans on students' present and future lives remain unknown. This qualitative phenomenological study occurred to understand student loan borrowing practices and their perceived effects on borrowers' current and future lives. Semistructured interviews commenced with 10 undergraduate and graduate student borrowers from three U.S. universities. The participants shared their lived experiences and perceptions of the factors in their decisions to use student loans. They also shared the perceived value of using student loans as investment tools to enhance their human capital. Peer debriefing and member checks were means to preserve the integrity of the study. Findings suggested that student borrowers perceived student loans as a valuable tool for accessing higher education to enhance their human capital, and they could not envision funding their higher education pursuits without student loans. The findings may support future policy development, inspire creation of more higher education funding literature, and provide a more in-depth understanding of the various facets of student borrowing.

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Dedication

I dedicate this work to:

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CHAPTER 1: INTRODUCTION

The mortgage loan crisis occurred in 2008; however, it was not the only unfortunate turn of events in the financial picture of the United States (Cilluffo, 2017). That year also had the first reference to student debt as a crisis. The student crisis occurred when lenders left the private student loan market due to the downturn in the mortgage industry (DeVore, 2016). Interested student borrowers then had decreased access to funding, resulting in the crisis. U.S. Congress took federal action to monitor student loans for students' increased and easier access to educational funds. Higher tuition costs at most universities required many students to secure loans to reach their academic goals. By 2016, superabundant borrowing practices had resulted in a student debt crisis (DeVore, 2016). Recent data have shown that approximately four out of 10 adults under 30 have student loans; the average loan debt of a 2016 graduate is $37,172 (Friedman, 2017).

Student loans are the second-largest consumer debt category in the United States, ahead of auto loans and credit cards (Friedman, 2017). Student loans, which have recently exceeded $1 trillion in the United States, affect students of all demographics and age groups (Scott-Clayton, 2018). Economists have generally viewed student borrowing positively due to overarching beliefs in self-investment and the limitless benefits of education (Dynarski, 2015). However, borrowing money for education could have unforeseen effects that remain with students for years.

Mike Meru pursued his dream of becoming an orthodontist at The University of Southern California (Mitchell, 2018). Meru graduated with a debt burden that will remain with him and his family for decades. Meru had a student loan balance of more than $1 million and monthly payments of more than $1,500. Although Meru completed his undergraduate journey debt-free, he chose The University of Southern California's dental school because of its prestige and convenient location near his home. According to the school's financial aid director, the program costs between $400,000 and $450,000; however, this number does not include other costs of obtaining a doctorate in orthodontics.

Meru considered his student loans an acceptable debt in exchange for accomplishing his goal (Mitchell, 2018). However, each academic year correlated with rising tuition and student loan interest rates. At the end of 4 years, Meru had a total loan balance of $340,000. Meru's unpaid residency program also had a tuition cost. Meru began making payments on his student debt after completing his academic journey. However, the initial debt burden of nearly $400,000 continued to increase due to interest, and Meru expected to pay nearly $2 million for his degree within the next 25 years.

Historically, higher education was inaccessible to the masses. Federal funding, including student loans, was a step toward increasing educational access. However, despite the many benefits of securing educational financing, borrowers have reported severe hardship and financial burdens due to encumbering student debt (Arndt, 2016). The goal of this study was to examine how graduates of 4-year higher education institutions, both public and private, perceived the various factors in their decision to take out loans to pay for college. The study also included participants' perceptions of the value of using loans as an investment to enhance their human capital.

The affordability of higher education has remained an ongoing topic due to rising tuition costs. Student loans were initially a solution to limited educational access; however, the conventional practice of invoking the high-tuition/high-aid model to justify tuition increases has also resulted in an increased reliance on student loans (DeVore, 2016; New America, 2013).

According to Friedman (2017), 44 million Americans have student loan debt, and of that number, 11.2% are delinquent on their loans. The percentage of delinquent borrowers comprises $31 billion of the $1.5 trillion student loan debt burden. As a result, the tool intended to increase opportunities and create economic advantages may have had the opposite effect.

Despite an abundance of student loan research, most of it has a quantitative approach. Few qualitative studies on student loans exist. Giving voice to student borrowers about their borrowing practices could provide the understanding needed to address the student loan debt crisis.

Problem Statement

The general problem addressed in this study was that individuals amass student loans despite the perceived unfavorable outcomes associated with debt. Student debt blocks millions of college graduates from realizing their futures; it impacts the actions of an entire generation (Daniels, 2015). The practice of borrowing for educational attainment has resulted in the student loan burden. Student loan debt obstructs economic growth at an alarming rate, as the U.S. student debt load is greater than $1.5 trillion.

Student loan debt is a significant concern for students, graduates, higher education institutions, and society. Graduates delay generational milestones, such as owning homes, getting married, and starting families, because they cannot afford to invest in these rites of passage (Arndt, 2016). Homeownership rates are the lowest in 51 years. According to a survey by the National Association of Realtors, 71% of individuals with student debt attributed their lack of homeownership to the amount that they owed for their student loans (Gorey, 2016).

The problem of student debt affects not only recent graduates; it is a persistent problem across generations that impacts persons from 18 to more than 60 years of age (Brown et al., 2015). Whereas individual borrowers may choose to take on educational debt for various reasons, the Consumer Financial Protection Bureau (2017) found a correlation between the borrower's age and the beneficiary of the student debt. Younger borrowers tended to borrow primarily for themselves. However, as the borrower's age increased, so did the shift in the beneficiaries of the student loan debt to either a child or grandchild, with a slight overlap of beneficiaries, including self, child, and grandchild, among borrowers in the 40 to 49 years age range.

The generational span of the student loan debt crisis could affect all sectors of society. A postsecondary degree often enables a higher earning status and increased socioeconomic stability. However, student debt often obstructs individuals' progress in attaining a better quality of life (Elliott & Lewis, 2015). The specific problem addressed by this study was that the implications of student loans for individuals' current and future lives remain unknown. Understanding students' borrowing practices and attitudes toward student loan debt could be a means of revealing the influence of student debt on borrowers' quality of life in the present and the future.

There is a need to explore students' perceptions of the motivations to take on student loans and their decision-making processes when they assume student loans (Diamond et al., 2012). Uncovering the motivations for student loan engagement could be a means of developing educational materials to encourage different thinking and increased awareness about student loans. Scholars and researchers in higher education have indicated the need for additional research to enhance the financial literacy of student loan debt (Cunningham & Kienzl, 2011; Daniels, 2015; Lusardi & Tufano, 2009). Increased financial literacy better enables users to consider their options and make informed decisions.

Daniels (2015), former governor of Indiana and president at Purdue University, called for a new approach to funding education due to the heavy burden of student loans. Cunningham and Kienzl (2011) advocated for additional research on borrowers' characteristics, experiences, and attitudes about repayment. Additionally, Lusardi and Tufano (2009) identified the need to better understand the debt-related choices made by consumers.

Statement of Purpose

The purpose of this qualitative phenomenological study was to explore the perceptions of graduates pursuing higher education. Additionally, the study addressed if connections, such as family members or friends, impact students' choices to attend particular institutions and their perceptions of the influence of student debt on their present and future lives. A goal of the study was to capture the perceptions of 2014 to 2020 graduates of two 4-year U.S. public institutions and one 4-year private U.S. institution.

Interview questions elicited insight into the participants' experiences of the student debt crisis. The interview questions provided a deeper understanding of the students' perceptions of the various influences in their decisions to use loans to pay for college and the value of using loans as an investment tool for obtaining a college education. The study focused on students' perceptions of student loan borrowing practices. Each interview question produced additional clarity on the subject.

Research Questions

The study was guided by the following research questions:

1. How do graduates from 4-year higher education institutions perceive the various influences on their decision to use loans to pay for their college education?

2. How do graduates perceive the value of using loans as an investment tool for a college education to enhance their human capital?

Rationale and Significance

There is an abundance of support for the pursuit of higher education, and scholars have established the benefits of obtaining a postsecondary education (Ma et al., 2016). Access to life-changing resources requires investigation and evaluation. Student debt continues to increase, as the implications of student borrowing practices have a lasting impact on consumers. Therefore, scholars could benefit from exploring the relationships between student borrowing practices, perceptions, and student debt.

Student debt in education is a popular topic because of a collective U.S. student debt load greater than $1.5 trillion. Student loan debt has lasting effects on borrowers (Newton, 2018). For example, the literature review in this study addresses why some student loan borrowers put off getting married or starting a family because of their student debt.

Student loans were initially a vehicle to access education. However, loan proponents did not provide borrowers with processes and guidelines for the ramifications of student debt, resulting in rising student loan debt. Under the leadership of then-Secretary of Education Arne Duncan, the Obama administration sought to address the student loan debt issue by instituting protections to shield borrowers from the institutions that did not provide good returns on borrowers' investments (Watson, 2019). The federal plan presented the changes needed to address the issue.

The policies related to higher education have undergone numerous changes since their introduction in the early 2000s (Watson, 2019). There have been efforts to repeal the protections established for student borrowers and redirect them to loan servicers. These efforts could be the means of exposing the vulnerable population of student borrowers to the negative consequences of student loans (Watson, 2019). Therefore, students and community members must improve their overall knowledge of student lending processes and the best practices for protecting borrowers against excessive debt with long-lasting effects**.**

The mission of the U.S. Department of Education (n.d.) is “to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access” (para. 1). Student loans are a tool of the Department of Education to provide students with equal access to higher education. However, the Department of Education’s directives lack a sector dedicated to educating individuals on the benefits, consequences, and proper usage of student loans.

Federal government officials developed initiatives in 2014 to address the rising student debt and hold institutions accountable for their students’ financial outcomes. Under these initiatives, educational institutions had to provide an education that resulted in “gainful employment.” Noncompliance with the initiative could result in the loss of the ability to provide financial aid (U.S. Department of Education, 2014, para. 3). The initiatives also protected students from taking on debt that they ultimately could not repay.

One of the 2014 initiatives entailed restructuring the definition of gainful employment through an initiative known as the gainful employment rule to protect students. Qualifying for federal student funding required institutional for-profit and certificate programs to “prepare students for gainful employment in a recognized occupation” (Federal Student Aid, n.d.-a., para. 1). According to the regulations, meeting the criteria for gainful employment occurred “if the estimated annual loan payment of a typical graduate does not exceed 20% of his or her discretionary income or 8% of his or her total earnings” (U.S. Department of Education, 2017, para. 4). According to the U.S. Department of Education (2014), the gainful employment rule was also a means of preventing students from becoming overwhelmed with debt and improving student outcomes with more rigorous accountability and transparency about student success.

Despite the U.S. government's intention for the regulations to provide students with protection, Secretary of Education Betsy DeVos announced a plan to rescind the gainful employment rule and replace it with a borrower-defense rule in 2018 (Kreighbaum, 2018). Most notably, there were no longer consequences for institutions with poor student outcomes. The proposed rule was a means for students to pursue the forgiveness of federal student loans if they felt misled by their higher education institutions. The borrower defense rule also has financial implications of $12.7 billion less in loan forgiveness over a decade compared to the previous administration's policies. The repeal of the gainful employment rule could result in decreased or eliminated federal aid for career-focused institutions with high numbers of students holding levels of debt they cannot resolve. Under the proposed rule, institutions could receive access to federal aid programs; in turn, the institutions could allocate federal funds to students in the programs previously deemed unbeneficial by Department of Education officials. Ultimately, this rule enabled the students who received the program credentials (which provide minimal job opportunities) to incur a significant amount of student debt under the guise of equal access (Newton, 2018).

Another intent of rescinding the gainful employment rule is to minimize the reasons defrauded students contest their student loan burdens. The proposed regulations would require students to prove deep financial distress or intentional defrauding at their higher education institutions for eligibility for debt relief claims (Green, 2018). Student borrowers would also have to disclose other personal information that could impact their job prospects, such as drug test results, performance evaluations, and health concerns.

Supporters of student borrowers perceive the new rules as barriers to relief for the students taken advantage of by the ease of acquiring educational loans. Such ease has resulted in more students owing money than ever before (Green, 2018). The removal of protections, a lack of federal education standards for students about funding, and the growing national student debt all indicate the need for research on student borrowing practices and the effects of student loans on borrowers' future quality of life and opportunities.

Theoretical Framework

The study's guiding theoretical frameworks were the human capital theory and rational choice theory.

Human Capital Theory

Schultz, Mincer, Friedman, Rosen, and other University of Chicago associates were the originators of the human capital theory (Becker, 1994). However, Becker corroborated the theory in the 1960s (Rauch & Frese, 2000). Human capital theory indicates that training and education are not solely the consumption of resources; instead, they are an "investment in future productivity" (Rauch & Frese, 2000, p. 3). Scholars have modified the human capital theory into the framework or model recognizable in various modern professions (Hartog & van den Brink, 2007).

Becker (1994) hypothesized that individuals could produce outcomes with economic benefits. The term *capital* traditionally means tangible items (e.g., stocks, bank accounts, or assembly lines) that produce monetary value and other favorable yields over time. However, the human capital theory presents a new lens for viewing capital. The human capital theory indicates that additional forms of capital, such as educational pursuits, health care services, and training courses, also produce favorable results over time, such as increased earnings, overall enhanced health, and a newfound appreciation of education. According to the human capital theory, money spent on training and education, medical care, and other similar items are investments in human capital.

According to Becker (1994), two of the most significant investments in human capital are education and training. Becker referenced how a college education is a means of significantly increasing income in the United States. The education-enhanced income increase remains, even after accounting for associated costs, various family backgrounds, and the referenced abilities of educated people as a whole.

Human capital theory also addresses the direct and indirect costs of education and presents them both as investments. Indirect costs consist of decreased or no earned income while an individual pursues education; direct costs include tuition, books, and fees. Individuals who use student loans to fund direct and indirect costs during their educational pursuits may consider their student loans as an investment into themselves and the means of ultimately increasing their capital. The human capital theory provides a lens for exploring graduates' perceptions of the value of student loans as personal investments with a return of enhanced human capital.

Rational Choice Theory

The rational choice theory (Scott, 2000) indicates that each action has a rational nature. According to the theory, individuals making decisions must adequately determine the cost and benefits associated with their decisions before making choices. Homans was an originator of the theory, but other notable developers of the framework include Blau, Coleman, and Cook. According to Scott (2000), individuals feel motivated by their goals and desires; in turn, they use their existing basis of knowledge to determine their decisions as favorable. Individuals must assess and anticipate the outcomes to make the best personal choices. Ultimately, the choice that provides the greatest satisfaction is the option selected by a rational individual (Heath & Heath, 1976). The rational choice theory provides a lens for viewing how graduates perceive the factors in their decisions to take loans to pay for their college education.

Overview of Methodology

The purpose of this qualitative phenomenological study was to explore the perceptions of graduates pursuing higher education. The phenomenological inquiry was the approach used to capture the essence of the feelings expressed by the participants. The Significance of the Study section presents the benefits of learning from the experiences of graduates with student debt. A qualitative phenomenological approach to this study enabled the researcher to view the research from the perspectives of the individuals who experienced the phenomenon under study.

Participant selection occurred via purposeful sampling. The study comprised 10 participants. Data analysis commenced with the inductive model of reasoning to identify the emergent themes from the data. Peer debriefing and member checks helped to preserve the integrity of the data. A peer debriefer is an impartial colleague who provides feedback and enhances the study's accuracy and validity (Creswell, 2014). Member checks occurred by allowing the participants to view the major findings and themes of the research to determine their accuracy and comment on the findings. The participants could provide feedback via email.

Limitations of Methodology

Qualitative research has strengths and limitations. This qualitative study required developing a level of comfort with the participants to discuss their perceptions comfortably. Reactivity (an instance when a participant changes a response during a researcher's attempt to gain trust) is a possible limitation of a qualitative study (Schonfeld & Mazzola, 2013). Another methodological limitation is the potential for a researcher to overidentify with the participants, resulting in potentially biased findings and interpretations.

Phenomenology was a suitable choice for capturing and understanding the experiences and perceptions of student borrowers; however, a viable effort to understand the participants' perceptions could have resulted in bias (Creswell, 2014). Another limitation of this method is the time required to interview the participants and interpret the data. This study focused on the participating graduates' perceptions. Therefore, the data collection required ample interview time to hear the participants' stories. Additionally, although qualitative studies elicit rich perceptions and provide participants with a voice, they could produce results difficult to analyze and interpret (Ochieng, 2009).

Researcher Positionality

As the researcher, I was involved in all stages of the study, from conceptualization to execution. I interviewed the participants, transcribed the recordings, analyzed the data, and reported the findings. I used purposeful sampling to select the participants. Additionally, I reduced bias from my personal feelings by examining my assumptions and experiences.

For the past 7 years, I have served as a career services counselor in higher education. I often interact with students at the end of their educational journeys to reflect on their experiences. At this time, the students and I discuss their hopes for putting their degrees to use. However, students frequently feel the pressure of tackling student debt soon after graduation. As a result, they abandon their plans to find the perfect positions and prioritize paying off debt.

I often converse with students who feel like they have a firm grip on overcoming the small hurdle. However, many students perceive that their accumulated loans will remain with them for years, if not decades. No matter their feelings about debt, many students appear happy about their degrees but wish they had known more about borrowing from the beginning of their higher education journeys.

In addition to my professional experience, I have had countless discussions with friends and siblings about student loans, their plans to pay them off, and the best practices of educating student borrowers. I do not have a strong position for or against student loans. My opinion is that taking student loans is a personal decision based on individual circumstances. I view student loans as another tool that, if used correctly, could be a means of accessing higher education and assisting individuals in reaching their goals. However, I firmly believe that there is a successful way of using student loans, and I advocate for financial literacy that indicates how to do so.

Organization of Dissertation

This research study had a five-chapter design. Chapter 1 presented the study's problem, significance, and guiding theoretical frameworks. Chapter 2 includes a review of the literature, with the methodological tools used to conduct the research following in Chapter 3. Chapter 4 presents the findings used to address the research questions, after which Chapter 5 includes an analysis of the findings and research conclusions.

Significance of the Study

Education is still widely viewed as one of the most efficient vehicles of social mobility in the United States. Student loans are a common tool for accessing education (Markle, 2019). However, the successful use of student loans requires adequate financial literacy. The goal of this study was to understand graduates' perceptions of student debt and the influence of their perceptions on their decisions. In turn, financial educators from various realms could use the findings from this study to shape future financial literacy curricula. Parents of future college students and students considering loans to finance their education could also benefit from this study's outcomes.

The findings from this research could contribute to the financial literacy that students receive as they make decisions to pursue higher education. Markle (2019) called for further research on how to improve students' financial literacy. According to Zhang and Kim (2018), U.S. young adults' debt and psychological distress (presented further in the literature review) indicate the need for a closer evaluation of the relationship between debt and psychological distress.

This study indicates the need for further research integrating borrowers with large student debt balances. It is necessary to obtain the perspectives of graduates with student loan debt to determine the information that contributes to students' critical decision-making. The findings also filled the gap in the qualitative literature on student borrowers with above-average amounts of debt. Despite several quantitative studies, few qualitative studies on student debt exist, indicating the need for a deeper understanding of students' perceptions and experiences.

The purpose of this qualitative phenomenological study was to explore the perceptions of graduates pursuing higher education. Lu (2016) sought to gain more understanding of the intersection of student loans and social class. Lu found little scholarly research focused on the experiences of borrowers with above-average amounts of student debt. As a result, Lu called for more qualitative research to provide graduates a voice and present "the story of grads who have incurred high amounts of debt" (p. 22).

Economic slumps have an effect on society as a whole; every member of society shoulders the burden of the loss of public service positions, decreased home sales, limited new business growth, and fewer career payments (American Student Assistance, 2015). Increased understanding of the student debt crisis could provide benefits for everyone and be a means of reducing the possibility of more significant economic and societal burdens. The goal of studying student borrowers' thoughts and perceptions was to understand the factors in their decisions to take on debt to fund higher education and the perceptions that influenced how they decided to attend certain institutions.

Conclusion

Chapter 1 provided the context of student debt and the results of the increased student debt loads. The chapter also presented the need for this study and the gap in the literature. The purpose of this qualitative phenomenological study was to explore the perceptions of graduates pursuing higher education. Understanding these factors could enable educational and financial stakeholders to address the issue, fill educational voids, and increase the awareness of higher education seekers.

CHAPTER 2: LITERATURE REVIEW

This chapter provides a detailed overview and summary of the articles relevant to the research (i.e., student debt, economic effects of debt, student loans). The goal of the literature review was to obtain insight into the conversation about student debt and its various effects on different sectors. The chapter has four separate but integrated sections with the overarching goal of presenting the multiple facets affecting students on their journeys of pursuing higher education. Section 1 presents the human capital investment in education and the importance of education with *Accountability: The Importance of Education to Society and The Benefits of Pursuing Higher Education*. Section 2, *Access to the Investment*, looks deeper into the investment piece, *Higher Education and Cost and Federal Funding for Higher Education*.

Rational choice theory pertains to the choice to take on student loans. The study focused on how students perceive the influences in their decision to use student loans. Section 3 (*Results of the Investment*): *The Student Loan Crisis, Student Loan Default, and Consequences of Debt* provides insight into some of the outcomes of using student loans. The chapter concludes with Section 4, which presents student loan literature and additional information on the topic.

Section 1: The Human Capital Investment

Accountability: The Importance of Education to Society

Education is a tool often used in societies to solve problems and benefit citizens. Education is a means of promoting civic awareness and empowering individuals to participate in society as independent citizens (Woessmann, 2016). The restructuring of U.S. higher education contains the assumption that the members of the public could greatly benefit from and achieve economic progress with an individual educational system for students (Forest & Altbach, 2006). The establishments of several notable higher education institutions—notably the University of

Virginia, Yale University, and Harvard University—have shown this purpose. President Jefferson founded the University of Virginia in 1819 to train social elitists for national leadership. Yale's founders mirrored those beliefs with the intent of educating individuals to prepare them for public employment. Harvard's founding fathers proclaimed the need to advance education and extend it to future generations for fear of leaving behind an "illiterate ministry" (Forest & Altbach, 2006, p. 294).

The Morrill Land Grant Acts, passed by Congress in 1862 and 1890, offered further governmental support for higher education (Forest & Altbach, 2006). The grants provided federal land to states for the formation of public universities tasked with the education of students to fulfill their communities' fundamental needs. Land grant institutions, a proposed resolution to local farming problems, provided agricultural education for the community (Forest & Altbach, 2006). With the passage of the first Morrill Land Grant Act (1862), 90% of African Americans were enslaved, making early land grant institutions only for Whites (Neyland, 1990). African Americans were commonly barred from admissions. Eventually, four African American institutions did receive funding under the original Act. Still, it was not until the Morrill Act of 1890 that funds were allocated equitably for White and Black institutions. The land-grant institution model is an example of how higher education institutions deliver services and find solutions for local problems (Forest & Altbach, 2006).

A Nation at Risk and Goals 2000

Education has been the tool used to solve local and large-scale problems throughout the educational history of the United States. Two large-scale examples of using education to address societal issues are *A Nation at Risk*, a 1983 report authorized by President Reagan on the state of the U.S. educational system, and Goals 2000, Congress's federal standards for all schools by

2000 (National Center for Home Education, 2002). The 2000 federal standards were educational goals supporting the larger outcome of Americans gaining the literacy, knowledge, and skills needed to compete globally.

Although published almost 20 years apart, the two initiatives had the same purpose: to use education as a means to an end. Although heavily criticized and ultimately viewed as a failed initiative, *A Nation at Risk* was a response to the United States' risk of no longer functioning as a democracy due to an educational deficit obstructing citizens' ability to live in a democratic governmental system (Berliner & Biddle, 1996; Park, 2004). The National Commission on Excellence indicated that the United States was entangled in "a rising tide of mediocrity" (Mehta, 2015, p. 21) and presented that the nation's poor performance could harm the country's economic future. The report also suggested that, for the first time in U.S. history, the members of the current generation lacked the educational skills the same as or better than their parents.

A Nation at Risk showed the direct correlation between the future economic competitiveness of the nation and education system reform. Ultimately, the commission suggested complete curricula revamp to include more math, English, science, and history courses and fewer elective offerings. The revamped, redesigned curriculum also correlated with the glorification of rigor and specific guidelines for achieving the desired results. One of the more problematic themes that emerged from this report was the view that schools were the source of and solution for all of the economic problems in the United States (Mehta, 2015).

In the late-20th century, dwindling national perceptions of the United States' educational standing in the world resulted in Goals 2000 (National Center for Home Education, 2002). The purpose of the Goals 2000 was to create a guide for setting national educational standards and measuring student success based on those standards. States and schools received resources to improve teacher training in conjunction with the initiative (Stedman, 1993). Goals 2000 presented that requiring more from students could enable them to achieve higher levels of success (National Association of State Directors of Special Education & New Mexico University, 1994). However, state governors who did not necessarily have backgrounds in education created the Goals 2000 (National Center for Home Education, 2002). The goal of the National Education and Improvement Council was to ensure educational compliance to national and state standards for student performance and assessment systems (Mulcahy, 1994). The creation of this council showed that the federal government focused on the importance of education.

The Benefits of Pursuing Higher Education

Individuals who pursue higher education may believe that they are making a valuable decision for themselves. According to 95% of college students, the purpose of higher education in the United States is to get a good job (Gallup & Lumina Foundation, 2014). Close to 60% of high school graduates enrolled immediately in college in 2015 (Ma et al., 2016). Despite this decision appearing to have primarily personal benefits, Chan (2016) asserted that society requires intelligent and well-informed college graduates to contribute to their communities.

Rising unemployment rates, the income inequality between individuals with and without college degrees, and projections for the economic climate have caused individuals to look to higher education as necessary for a brighter future with greater earning potential and more fulfilling careers (Chan, 2016). Statistical evidence from 2016 aligned with these sentiments, as a full-time worker with a bachelor’s degree had an average salary 67% higher than high school graduates (Ma et al., 2016). On the surface, higher earnings may seem another purely personal benefit. However, higher earnings also correspond with economic benefits and increased economic growth (Woessmann, 2016). Human capital theory suggests that investing in people has benefits for both society and individuals. Education is the ideal human capital investment, as it typically produces additional benefits, such as better health, wellness, and nutrition (Schultz, 1981; Sweetland, 1996).

The individual benefits of education include a higher salary, increased life expectancy, improved health, and better working conditions (Chan, 2016). Chan (2016) found these benefits following research on the public and private benefits of higher education. The study consisted of a review of 60 peer-reviewed journal articles and 25 published books published between 2000 and 2016.

Beyond individuals, the societal benefits of higher education include economic health, civic involvement, reduced crime rate, increased community service, and social cohesion (Chan, 2016; Doyle & Skinner, 2017). Higher education correlates with improved civic engagement (Doyle & Skinner, 2017). The specific civic behaviors on which higher education has a positive influence include voting participation, volunteerism, and charitable giving.

Section 2: Access to the Investment

Higher Education and Cost

Modern economic demands lead to a focus on higher education, specifically earning degrees (Mitchell et al., 2016). However, rising tuition costs have caused students to find colleges less accessible and affordable. Public university tuition has increased at a significantly higher rate than individual income, obstructing college for many and reducing their likelihood of long-term financial success.

Roles and decision-making authorities vary widely in-state tuition policies. The tuition-setting authority rests upon six entities: (a) legislatures, (b) governors, (c) statewide coordinating agencies, (d) individual system governing boards, (e) local district governing boards, and (f) individual institutions. In most states, the primary tuition-setting authority falls to a single entity, with a second entity having an informal role in the process. In about half of U.S. states, the primary authority in the tuition-setting process is the individual university systems' governing boards, something known as a decentralized tuition-setting system (Badolato, 2008).

Concerns of a stalled economy based on higher education are not unwarranted. An economic downturn typically results in increased enrollment in higher education institutions based on higher education seeming a better option than pursuing employment in unfavorable conditions. The public university has been a recognized way for low-income U.S. students to attain the highest rates of income mobility (Chetty et al., 2017). However, research has suggested that increased tuition rates may partially be the reason for the wage disparity between races (Mitchell et al., 2016). According to Krueger and Dale (2011), when compared to students of similar backgrounds, Black and Latino students attending more elite colleges and universities had higher earnings postgraduation than their peers who attended less-selective institutions. This finding connects to tuition rate and wage disparity between races because most high-achieving, low-income students forgo applying to elite colleges and universities (Hoxby & Avery, 2012).

Mitchell et al. (2016) acknowledged the importance of choosing a college.Students from disadvantaged backgrounds who attend selective institutions experience more significant benefits after graduation than students from advantaged backgrounds. Krueger and Dale (2011) defined a disadvantaged background as the parental level of educational attainment. Unfortunately, as Hoxby and Avery (2012) noted, many high-achieving, qualified students from struggling families opt not to apply to selective institutions due to several factors, including tuition cost.

According to the CollegeBoard (2019), in 2017–2018, the average in-state tuition at a public 4-year institution, including fees, was about $10,000 per year. Out-of-state students at public 4-year institutions paid approximately $26,000 in tuition and fees, while students at private 4-year colleges spent about $35,000 in tuition and fees (Ma et al., 2016). Tuition rates have steadily increased roughly 6% over the inflation rate (Schoen, 2015).

In 1970, Harvard University leaders reluctantly announced a tuition increase to parents and students, a standard practice in modern higher education (Schoen, 2015). Dunlop, the acting dean at Harvard at the time of the 1970 increase, explained to the student newspaper, “It used to be that once in a while undergraduate career tuition would increase, but from now on unless inflation is halted, there’s no choice in the matter but to continue raising tuition” (Schoen, 2015, para. 3). Inflation was initially the pacesetter for tuition rates. However, almost 50 years later, tuition at higher education institutions continues to increase beyond the inflation rate (Schoen, 2015). For example, “In Arizona, published tuition at 4-year schools is up nearly 90%, while in six other states—Alabama, California, Florida, Georgia, Hawaii, and Louisiana—published tuition is up more than 60%” since 2008 (Mitchell et al., 2016, p. 2).

Another consideration is that higher education institutions should not need to increase tuition. Unfortunately, increases result from a lack of necessary funding, as further discussed in the following section (Mitchell et al., 2016).

Access to Higher Education

One of the primary motivators for implementing federal financial aid is to provide access to higher education. However, although financial aid allows more students to attend colleges and universities, it also has high costs due to constantly rising tuition rates. Public higher education institutions used to receive a significant portion of funding from state taxpayer dollars, resulting in lower tuition rates. However, to reduce state spending, policymakers decreased funding to universities, causing institutional leaders to look for ways to subsidize their funds (Freedman, 2013). The proposed solution was the high tuition/high aid model now adopted at many public and private institutions. However, this model contributes to the many challenges faced at schools annually (Badolato, 2008). Institutions with the high tuition/high aid model have high tuition rates, requiring large appropriations of need-based financial aid to subsidize the overall cost (Badolato, 2008).

Students turn to federal financial aid to bridge the gap between their resources and the funds they need to pursue their education. Regardless of the amount, student loan engagement is a common practice, with student loans seen as good debt because individuals use the funds to improve their financial futures. Understanding the purpose of education and the benefits enjoyed by the educated is an obstacle to using a tool that provides access to an elite group: the educated.

Federal Funding for Higher Education

The purpose of federal funding for higher education is to promote higher education attainment for all individuals. Initially, federal funding was the means of establishing institutions of higher learning. Over time, the goals of government funding included helping returning combat soldiers obtain an education with the GI Bill, which later expanded to include students of all types (U.S. Department of Education, 2017). When introduced, federal funding for higher education was a means to an end, a capacity in which it has remained. This section contains a brief history of federal funding and the types of federal aid provided to students. There is an outline of the history of funding and federal aid to understand the purpose of federal funding and assess whether it achieved its intended outcomes.

History of Federal Funding. The Land-Grant College Act of 1862, also known as the Morrill Act, was one of the first acts of federal funding of higher education. Signed into law by President Lincoln, The Morrill Act was a means of establishing land grant institutions statewide (Steede et al., 2018). States received federal land for educational training centers for agriculture and mechanical arts (Benson & Boyd, 2015). The Morrill Act was “the most significant legislation for the democratization of higher education” (Benson & Boyd, 2015, p. 73).

The Morrill Act was a worthwhile start to making education accessible. Although commonly presented as the inception of education access for all, the Morrill Act granted access to primarily Christian White males (Fanshel, 2020). The act underwent improvement over the next 150 years to strengthen the federal government’s role in funding education. The second Morrill Act, authorized in 1890, assigned higher education oversight to the U.S. Department of Education (2017). Legislators expanded federal aid in 1917 and 1946 to include vocational institutions. The 1980 Morrill Act established funding for higher education institutions that served African Americans, leading to the emergence of historically Black colleges and universities (HBCUs; Neyland, 1990). While the Morrill Land Grant Act is a notable point in the funding of higher education, the appalling side to the legislation is that the land used for institutions’ establishment was forcibly seized indigenous land (Fanshel, 2020).

Initiatives. The 1944 GI Bill was another early form of action in support of the importance of education. The GI Bill was the beginning of government funding for individuals wishing to attend higher education institutions (U.S. Department of Education, 2017). Also heralded as another milestone initiative in higher education funding, benefits availability was substantially different between Blacks and Whites who had provided equal service to the country (Turner & Bound, 2003). In 1957, the government funding of education included individuals outside of the military to increase capitalism and decrease communism. This effort followed the Union of Soviet Socialist Republics' (USSR) launch of the first space satellite, Sputnik, a symbol of significant progress in the space race. In response to the USSR's bold move, the United States provided extended educational funding (financial aid) through the National Defense Education Act of 1958 to individuals outside of the military for educational studies in teaching, engineering, math, languages, and science (Gladieux, 1995). The National Defense Education Act allocated educational funding via low-interest student loans and a debt cancellation option for individuals who graduated and became teachers. In the 21st century, the rechristened Perkins loan program continues to provide funding for educational aspirations.

Progression of Educational Funding. The progress of educational funding continued in 1964 with another notable improvement, the Economic Opportunity Act. This act, created under President Lyndon Johnson, included the college work-study program (now known as the Federal Work-Study program). The program enabled students with financial need to find on-campus employment opportunities (U.S. Department of Education, n.d.). The Higher Education Act of 1965 followed, creating most of the federal aid programs still in place (Kaplin et al., 2020).

The federal government solidified its involvement in higher education with the Higher Education Act, which subsequently presented higher education as a national interest (Fuller, 2014). The Higher Education Act provided the structure for several programs in higher education and the requirement for reporting. Educational institutions that receive Title IV funds provide ongoing data on operations and institutional quality with preestablished accreditation standards.

Under Title IV of the Higher Education Act, the federal government backs the funds disbursed from a guaranteed loan program. The U.S. Treasury would fund student loans during this early lending period with a full promise for repayment from the government if students defaulted (Fuller, 2014). The Pell Grant is the single largest source of federal grant aid for postsecondary education students (Mahan, 2011).

Since its creation, the Higher Education Act has undergone multiple amendments, the most recent being the Higher Education Opportunity Act of 2008 (Kaplin et al., 2020). The 2008 reauthorization reflected societal and governmental discontent with rising tuition costs. The creation of the U.S. Department of Education in 1979 occurred for several purposes, one of which was to ensure access to educational opportunities for all individuals through increased federal commitment (U.S. Department of Education, n.d.). As a result, Department of Education officials must report institutions with the highest net cost in the top 5% of institutions based on tuition and fees. The institutions must then indicate how their lenders will cut costs (Fuller, 2014).

Additional changes to the funding paradigm occurred from 1985 through 1988. Regulations on funding eligibility and ineligibility were restricted to the parameters of the Consolidated Omnibus Budget Reconciliation Act of 1985, which redefined delinquency from 120 to 180 days. In 1988, amendments to the Higher Education Act resulted in the Stafford loan, formerly the Guaranteed Student loan, a program that remains into the third decade of the 21st century (Gervais & Ziebarth, 2019).

Established in 1992, the Free Application for Federal Student Aid (FAFSA) was a means to streamline the process of applying for aid (Kelchen, 2017). Other improvements included adding the unsubsidized loan, an option available to the individuals who do not qualify for the subsidized Stafford loan (Gervais & Ziebarth, 2019). One of the most recent and significant updates to federal funding occurred in 2005 with the Higher Education Reconciliation Act. The act has the following protocols: (a) a loan limit increase across various programs, (b) a plan to gradually lower loan origination fees, and (c) allowing graduate and professional students access to an additional funding option, the PLUS loan (Li, 2007).

Types of Federal Aid. Student aid has need-based and non-need-based sources. "Need-based aid is financial aid that you can receive if you have financial need and meet other eligibility criteria." (Federal Student Aid, n.d.-b.). FAFSA indicates need-based aid eligibility and the expected family contribution (EFC). Defined primarily by the assets and family income with adjustments for family size and the number of members enrolled in postsecondary institutions, the EFC is a statement of a family's presumed ability to pay for higher education (Gervais & Ziebarth, 2019). Institutions use the EFC and the cost of attendance (COA) to determine a student's financial need with the following calculation: COA - EFC = financial need (Federal Student Aid, n.d.-b.). Students whose EFC exceeds the COA are ineligible for need-based aid (Gervais & Ziebarth, 2019).

Loans have need- and non-need-based aid categories. Direct subsidized and direct unsubsidized federal loan programs disperse the most funds annually (Hillman & Orosz, 2017). Both subsidized and unsubsidized loans accrue interest. However, the government provides for the interest of a subsidized loan while the student attends school and 6 months after graduating or ending schooling.

Need-based federal student aid programs include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, direct subsidized loans, federal Perkins loan, and federal work-study. Non-need-based financial aid is not a factor in EFC but reflects how much other aid the student receives and the COA of the institution chosen (Federal Student Aid, n.d.-b). Non-need-based programs include direct unsubsidized loans, federal PLUS Loans, and the Teacher Education Access for College and Higher Education grant.

Section 3: Results of the Investment

The Student Loan Crisis

In the early 1980s, Michigan congressman William Ford, a strong advocate of federal support for student aid, predicted the negative implications of student loan debt, stating, “We are creating indentured servants who must commit their working efforts to paying off debt” (Lorin, 2012). Ford questioned how students could afford other necessities, such as homes or cars, if they allocated all their funds to pay off student loans (Lorin, 2012). Federal lawmakers also expressed concerns about adjusting the ratio of loans to grants (Cornelius & Frank, 2015). The continuous increase in student loan balance in proportion to the number of grants awarded was a significant concern.

The fears of the past are now the realities of the current student loan crisis. Decreased grants, increased loans, continuous tuition hikes, increased borrowing practices to afford rising tuition rates, and reductions in state spending have resulted in a limited number of available grants. Tuition increases have caused student loan debt to be one of the leading financial burdens in the United States, second only to mortgage debt (Friedman, 2017).

Approximately 40 million people in the United States hold student debt, a collective cost of $1 trillion (Dynarski, 2015). In 2008, 41% of full-time students in public educational institutions took out student loans (Cornelius & Frank, 2015). That same year, 61% percent of full-time students in private nonprofit educational institutions had student loans. In comparison, approximately 89% of full-time students at for-profit institutions took out student loans. These figures show the increase in the number of individuals assuming student loan debt over the years due to rising college tuition coupled with federal grant programs that cannot address the rise (Zumeta et al., 2012).

Student Debt and the Economy. Immense financial strain adversely impacts student borrowers and the economy. Such negative implications have created questions regarding the value of the return on investment in higher education. In past decades, workers with bachelor's degrees faced significantly lower unemployment rates and typically earned 84% more over their lifetimes than workers with only high school diplomas (Arndt, 2016). However, modern graduates have reported limitations from the financial burdens of rising levels of student debt: (a) 35% struggled to purchase daily necessities, (b) 52% were unable to make substantial purchases due to student debt, (c) 62% delayed contributions to retirement savings and investments, and (d) 55% could not purchase a home. The present study's findings aligned with these reports.

In conjunction with an unfavorable labor market, higher loan amounts have placed increased strain on student borrowers (Looney & Yannelis, 2015). As of 2011, the Stafford loan had a 6.8% interest rate (Cornelius & Frank, 2015). According to Hillman (2015), most borrowers (57%) choose to repay their loans on a 10-year repayment plan, which has a mortgage-style setup. A $30,000 loan with a 6.8% interest rate on a standard 10-year repayment plan requires a monthly payment of $345 or a yearly payment of $4,140, substantial amounts for new graduates (Cornelius & Frank, 2015). Large school loan payments could result in reduced consumer spending, affecting the economy at the local, state, and national levels.

Student Debt and Career Choice. Aside from the effects reported by students, Rothstein and Rouse (2011) argued that certain levels of student loan debt could affect career choices. Students might eschew public-sector positions with lower salaries and instead pursue lucrative, private-sector employment. Rothstein and Rouse reached examined administrative records from an anonymous university after the implementation of a no-loan policy that replaced student loans with grants. The researchers compared graduate careers before and after program implementation, finding that not only did carrying student debt have a bearing on career choice, but it resulted in a decline of alumni giving to the institution. The study found that when students no longer had to carry a student debt burden after graduation, a shift occurred toward careers in public service that tended to have lower salaries. The careers most affected by occupational decisions tied to salary include education, social welfare, and public administration (Cornelius & Frank, 2015).

Ng and McGinnis Johnson (2020) contributed to the literature on student debt and career choice. They surveyed a group of graduating students to assess if public service motivation assuaged student concerns about public and nonprofit sectors. The survey was also a means of assessing if education debt adversely affected students' desires to pursue lower-paying public and nonprofit careers. The study's goal was to understand if education debt influenced a student's career choice. Ng and McGinnis Johnson found that even among students with high public service motivation, high education debt caused students to avoid nonprofit careers. The authors highlighted the need to keep debt levels bearable to prevent graduates from shunning public and nonprofit careers. Ultimately, the scholars called for further research on the influence of education debt on career choices and economic and financial well-being. The present study was a further investigation into the influence of education on career choice.

Unfavorable Effects of Student Debt. The negative effect of excessive student loan debt extends beyond career choices. Student loan debt may also harm a student's quality of life and ability to give back to society or the higher education institution. Additionally, student loan debt could cause a delay in the graduate achieving various financial goals, such as retirement savings (Ulbrich & Kirk, 2017).

The National Foundation for Credit Counseling (NFCC; 2015) found that two out of five adults (approximately 38%) repaying student loans could not concurrently save for retirement. Rising student debt totals indicate the need to understand the impact of students' borrowing practices, knowledge, and perceptions of these practices on college selection. Such information could contribute to the construction of a plan for assisting students in minimizing their student debt.

Student Loan Deferment and Default

Student loan interest rates remain the same for Stafford loan borrowers but differ for undergraduate and graduate borrowers (Looney & Yannelis, 2015). Between 1999 and 2015, rates varied from 4.25% to 8.25%. The majority of loan programs provide a 6-month grace period after school departure, after which time the borrowers must begin repaying their loans. Once in repayment, borrowers must apply for forbearance or deferment if they need to postpone loan repayment. Reasons for deferment include experiencing economic hardship, joining the Peace Corps or military, experiencing unemployment (for up to 3 years), and facing economic hardships. Postponing payments under forbearance can occur for a maximum of 1 year if financial hardship results from illness or national service. Despite postponement options, data trends have suggested that nearly 40% of student borrowers may default on their student loans by 2023 (Scott-Clayton, 2018).

Income-based repayment plans provide restitution options for borrowers. However, until recently, borrowers lacked widespread knowledge of the programs (Perna et al., 2017). Under an income-based repayment plan, borrowers can pay either 10% to 15% of their income or their payment amounts (whichever is less) on a standard 10-year repayment plan (Looney & Yannelis, 2015). Although the program provides another option for repayment, enrolling and staying enrolled is tedious due to countless administrative requirements (Perna et al., 2017). Ultimately, repayment options provide borrowers with satisfactory ways to keep their loans in good standing; however, they can increase the total amount of indebtedness due to longer repayment periods (Elliott & Lewis, 2015). Although income-based repayment options are tools for assisting with repayment, they result in further delays in the economic capital of borrowers in repayment as the interest continues to build.

Student loan default is a damaging outcome for all stakeholders. Several factors correlate with default, including race, institution location, student body composition, and academic preparation (Ishitani & McKitrick, 2016). About 29% of student loan borrowers ultimately default on their loans (Scott-Clayton, 2018). Of the student borrowers within the 2003–2004 cohort, 44% defaulted on their student loans within 12 years of graduation (National Center for Education Statistics, n.d.).

Government Intersections With Lending. Upon further exploration, the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Credit Card Act) and student loans have some striking similarities. In turn, viewing the parallels could offer a blueprint on the quest to improve the student loan system. U.S. lawmakers passed the Credit Card Act in response to rising debt and the credit card crisis (Luck, 2011). From 2003 to 2008, consumer debt, mainly credit card debt, increased from $770 to $977 billion, with the average U.S. family having about $10,000 in credit card debt in 2009 (Schorer, 2010). Late fees and over-the-limit fees contributed to the profits of credit card industries, which totaled $18.4 billion in 2006. However, amid the success of credit card issuers, lawmakers saw the industry's deceptive practices as unreasonable and abusive. Ultimately lawmakers determined that the most vulnerable members of society, including young adults (18–24 years), elderly individuals, and those with mental disabilities, bore the brunt of this injustice (Luck, 2011; Schorer, 2010).

Congress established a predetermined credit card contracts regulation system in the 1960s (Luck, 2011) to provide freedom of contract, giving credit card issuers flexibility in what they could present to consumers. Credit cards could have “almost any terms” (Luck, 2011, p. 2) as long as the issuers provided consumers with the required disclosures. Freedom of contract occurred based on the assumption that logical consumers would improve their overall economic situations when using credit cards.

However, the freedom of contract included the assumption of perfect logic from engaged consumers and perfect information or consumer understanding of the product (Luck, 2011). The assumption quickly proved to be inaccurate based on illogical consumer behavior. The emergent patterns aligned with economic and psychological research showing a lack of logic and education to be common among the consumers using credit cards with unfavorable terms.

Young adults between 18 and 24 are a coveted market for credit card issuers. This population’s average debt increased by 22% between 1989 and 2004 (Schorer, 2010). Although credit card companies provide young consumers with easy credit, the recipients lacked the resources to pay the incurred charges. As a result, college students became overwhelmed because they could not handle their obligations.

The proposed protection of the vulnerable population resulted in magnified exposure. Consumer advocates argued that consumers generally do not understand the consequences and overall long-term impact of only paying the minimum amount (Schorer, 2010). Credit card issuers consistently benefitted from consumers’ lack of understanding, “consumer confusion and imperfect rationale” (Luck, 2011, p. 4).

The Credit Card Act indicated the need for consumers to make more informed decisions and provided practices supporting this need. These practices included improved disclosure to uncover ambiguous rules, clear presentation or regulations, and an outline of possible outcomes (Schorer, 2010). The Credit Card Act recommended changing 10 credit card practices, including disclosure. “Enhanced disclosure” consumer advocates argued that consumers generally do not understand the consequences and overall long-term impact of making only the minimum monthly payment. Consumers who lacked understanding struggled to understand the payment practice consequences of their credit card agreements.

Credit card issuers benefit from consumers’ lack of knowledge regarding the additional charges incurred by making minimum payments (Schorer, 2010). For example, when a customer received a credit card bill, it showed the minimum amount due. The consumer paid the amount, unaware of the finance and interest charges applied to the remaining balances. The consumer then continued to incur charges until paying off the entire balance.

From a short-term perspective, consumers could initially benefit from paying a small amount and avoiding the obligation of handling the entire card balance at once. However, depending on the interest rate, delaying the remaining balance has a significant adverse effect on the consumer (Schorer, 2010). As a result, companies profit from short-term thinking, payment practices, and consumers lacking the tools and understanding needed to make the best overall decision.

Companies and defenders of credit card industries argue that additional disclosure for consumers in any form would result in increased business costs and benefits for only a small portion of credit card users, roughly 4% (Schorer, 2010). Despite this position, credit card reform advocates demand explicit implementations for credit card statements. The changes included descriptions of what constituted a late payment, any associated charges and fee adjustments, additional amounts, and all charges incurred due to late or missed payments. The Credit Card Act also required the implementation of the following notice: “Minimum Payment Warning: Making only the minimum payment will increase the amount of interest you pay and the time it takes to repay your balance” (Schorer, 2010, p. 937).

The Credit Card Act required credit card issuers to present the consequences or outcomes of various payment practices via a table on the credit card statement. The outline must present paying the balance in full versus over time, Information should include the time needed to pay the balance in full (in months) if only making the minimum required payment, and the amount paid if the consumer remits the balance in full in 36 months versus only the minimum until paid in full.

The best tool for solving the credit card crisis is disclosure, a form of consumer education. Instead of imposing regulations for credit card issuers’ or users’ behaviors, educating consumers on the consequences of payment practices and credit card debt engagement outcomes emerged as the best option for making the necessary improvements. The desired outcome was improved interactions between consumers and issuers (Schorer, 2010). Lawmakers sought to enhance consumer choice through increased disclosure; therefore, they used reform as the vehicle of implementation. Federal lawmakers believed that consumers or individuals with more knowledge were free to weigh all options and make the best personal decisions.

The Credit Card Act led to more informed consumers receiving the information they need to make the best choices for themselves. Jones et al. (2015) studied data from a nationally representative monthly survey of households from June 2006 to December 2009 for an in-depth look at the Credit Card Act’s effectiveness on credit card usage. The researchers found that increased disclosure resulted in “significant behavioral changes amongst consumers” (Jones et al., 2015, p. 29). The changes occurred explicitly in the form of significant increases in monthly payments, full payment of monthly balances, reports of no credit card debt, and an overall report of decreased credit card debt after the mandated disclosures (Jones et al., 2015).

Degree Completion. Degree completion contributes significantly to student loan default. According to Gladieux and Perna (2005), over 20% of student loan borrowers drop out of college. Of that group, 20% of nongraduating borrowers default versus 2% of borrowers who complete their degrees. Another contributing factor to default is the type of institution attended. Baker et al. (2017) compared the default rates between 2-year and 4-year institutions and for-profit and not-for-profit institutions, finding that the students attending 2-year and for-profit institutions have the highest default rates. Borrowers at 2-year, for-profit institutions represented nearly half of student loan borrowers during and shortly after the economic recession but also carried high debt balances in relation to their earning potential (Looney & Yannelis, 2015). In addition, the students experienced unfavorable workforce outcomes and had few family resources on which to rely. Of the borrowers who began repaying federal student loan balances in 2011 and defaulted shortly after in 2013, close to 70% were from the 2-year, for-profit population. Ethnicity, gender, having dependents, coming from a low-income family, or being a first-generation college student are also notable predictors of defaulting (Baker et al., 2017).

Defaulting on student loans could have significant consequences for borrowers’ lives, such as the garnishment of Social Security income and wages or the loss of financial aid eligibility. Other possible consequences include negative credit history, possible prohibition from entering the armed forces, potential inability to renew a professional license, and ineligibility for loan deferments and subsidized interest benefits (NYSFAAA, n.d.).

Consequences of Debt and Default. Aside from the economic effects, student loan debt places a heavy burden on borrowers poised to make their mark. Debt burden is an ongoing factor in borrowers' daily decisions, including marriage, homeownership, family planning, and even career choice. Educated individuals must deal with the consequences of a decision they made at the age of 18. Student loans taken out years ago continue to affect their current situations.

Debt has countless far-reaching ramifications impacting a borrower's freedom of choice. Long-term debt is both frustrating and oppressive. Student debt has similar effects on consumers and influences borrowers' future decisions. Student loans were initially a vehicle for societal progression and long-term economic gain; however, there are increasingly adverse effects. The American Student Assistance (2015) presented the following figures from a survey of student borrowers on the impact of student debt on significant life decisions:

- Fifty-three percent of survey respondents stated that their student loan debt was a deciding factor or had a considerable impact on their choices of career fields;
- Of those interested in starting a small business, 61% of respondents indicated that student loan debt had an impact on their ability to do so;
- Twenty-one percent of the respondents indicated that they put off marriage as a result of their student loans; and
- Twenty-eight percent of the respondents said that student debt caused them to delay starting a family.

Student loan default significantly harms borrowers' credit scores, presenting a unique set of challenges. Nongraduate borrowers must overcome the non-degreed career barrier of finding sufficient employment to afford their student loan payments. Borrowers in default who decide to return to school to complete their education for raises or higher-paying positions must often find alternate financing, as they lack eligibility for federal funding. However, borrowers with low credit ratings have limited chances of securing loans (Wermuth, 2017).

The low credit scores of graduate borrowers could also affect their employment opportunities, as employers often review credit before extending an offer. Low credit scores could also impact future lending relationships, such as business loans, mortgages, or personal loans. Poor credit could ultimately cause the borrower to incur more costs over time due to the increased interest rates associated with lower credit scores (Wermuth, 2017).

Emotional Burden. Though not mentioned as frequently in the literature, emotional burden is another repercussion of student debt (Perkins et al., 2016). Nelson et al. (2008) found that students with credit card debt of $1,000 or greater were more likely to report feelings of stress and other health risk indicators, such as insufficient physical activity, obesity, excessive television viewing, fast food consumption, infrequent breakfast consumption, unhealthy weight control, binge drinking, low body satisfaction, violence, and substance use. Data have also shown an association between student loans and low levels of psychological functioning (Walsemann et al., 2015). In “Sick of Our Loans: Student Borrowing and the Mental Health of Young Adults in the United States,” Walsemann et al. (2015) found that student loans had the important purpose of “facilitating the acquisition of human capital in the form of education” (p. 1). Even so, the costs associated with this acquisition caused feelings of worry and stress about how to repay debt. The researchers called for further research on student loan debt and its possible effects on other areas of life.

Pisaniello et al. (2019) looked further into the connection between student loan debt and emotional burden by examining the correlations between medical students and graduates and medical student debt. Pisaniello et al. reviewed 678 articles to evaluate the association between academic performance, medical student mental health, debt, and specialty choice. After the review, the researchers determined that a negative association existed between medical student debt and medical student and graduate mental health—specifically, increased stress levels concerning alcohol use patterns and negative academic performance. Pisaniello et al. also found that pursuing more lucrative specialties was associated with medical student debt.

Student Debt and Race. Another factor to consider regarding the effects of student debt is race. According to Scott-Clayton and Li (2016), Black graduates owe $7,400 more on average than their White counterparts after earning their bachelor’s degrees, with student loan debt of $23,400 versus $16,000; as time progresses, the gap grows to $25,000. This discrepancy is attributable to various factors, including variances in interest accruals and Black graduates borrowing for graduate school, leaving them close to $53,000 in student loan debt 4 years after graduation.

According to the research, Black graduates were more likely than any other ethnic group to fund their higher education with student loans; however, due to a lack of data, the reasons are unclear (Scott-Clayton & Li, 2016). Tracking borrowers by race is not a common practice by the U.S. Department of Education; accordingly, the data in this area are limited. However, a higher likelihood of attending for-profit or private institutions and a predisposition to taking out private loans could be contributing factors. Another significant reason could be variances in parental wealth between Blacks and other races. Scott-Clayton and Li (2016) also found Black students more likely to leave college without earning a degree, having a significant debt burden and no access to the higher earning potential associated with a college degree.

Bostick et al. (2021) looked into the perceptions of Black borrowers, specifically, Black women. The qualitative study was an exploration of the experiences of Black women in graduate school specific to their perceptions of student debt and financing their education. In semistructured interviews, six participants shared their ambitions for obtaining a graduate degree and experiences with educational funding and student loan debt. Bostick et al. found that Black women use student loans due to obstacles when seeking institutional funding for their education, subsequently realizing the long-term implications of debt burden. The significance of Bostick et al.'s study is its ability to "provide a micro perspective about a macro issue" (p. 10). Bostick et al. called for further research that included Black graduates at different institutions.

Section 4: Additional Student Loan Literature

A review of countless articles did not find any studies on the perceptions of student borrowers with high or above-average loan balances, defined by the Federal Reserve as $32,731 or more. However, some studies have addressed student debt among various populations. The following section is an overview of the studies on similarities and differences.

Zhang and Kim (2018) contributed to the literature on debt and psychological distress by exploring the effect of student loans and credit card debt on young adults' (ages 18 to 28) psychological distress. Research has shown the negative connection between debt (specifically student loan and credit card debt) and mental well-being. However, scholars have not addressed whether psychological distress results from higher debts. Zhang and Kim found that increases in debt resulted in higher odds of distress, with credit card debt causing twice the stress of student loans. The researchers called for further inquiry incorporating heavy student loan debt. This study contributed to the literature in this area, as identifying as a graduate with an above-average student loan balance was a requirement for participation.

Evaluating various outcomes of debt requires exploring the full impact of student loans. Students may consider student loan debt an investment in their future. However, the level of debt accumulated over time could prevent or delay a positive investment return (Perkins et al., 2016). A common theme emerged from the literature on student debt: the need for further research, especially qualitative research. Christie and Munro (2003) studied 49 U.K. students' perceptions of the costs and benefits of student loans, finding them poorly informed about the costs and benefits of higher education. Christie and Munro indicated that connections, such as cultural and family resources, have a strong influence on knowledge. Some important outcomes of the study were that the students largely benefited from drawing on the experiences of others who had chosen to pursue higher education. The authors predicted that learning from other individuals' experiences could be a means of increasing students' understanding of the student loan process. This finding aligned with the rational choice theory, which indicates that individuals make rational decisions after determining the benefits and costs of their choices (Wittek, 2013). In this case, Christie and Munro found that learning from others' experiences facilitated comparing costs and benefits. The present study contributes to the qualitative literature with graduates' perceptions. Ideally, others could use the perspectives in this study to make informed decisions about pursuing education and managing student debt.

Johnson et al. (2016) conducted a qualitative study in response to the growing concerns about and the continued rise of student debt, which the researchers deemed a burden to both students and the economy. The participants were borrowers from public universities who had at least one student loan. Johnson et al. sought to answer questions about the students' perceptions, college choice, feelings about borrowing, influences on decision-making, and thoughts on the future effects of financial debt. The findings showed that the students felt that their only choice was to secure better futures for themselves by borrowing money to invest in their human capital.

The students were concerned about borrowing funds and delaying life choices, such as getting married, purchasing a home, retiring, and repaying the loans (Johnson et al., 2016). A noteworthy finding was that connections had a significant impact on the students' decision-making, as they often turned to individuals in their networks for advice. Additionally, the students did not have a strong understanding of their loans. Johnson et al. concluded that additional qualitative studies on student debt could provide thought-provoking insight into students' perceptions and their influence on decisions about borrowing for education. The authors also noted the limited qualitative research on student loan decision-making and college selection. Their findings added to the literature, providing qualitative data from student loan borrowers about their loans, their feelings about their loans, and the decision-making processes that they used to borrow.

The goal of this study was to contribute to the qualitative literature on student loans, students' perceptions, and influences. Although this study resembled that of Johnson et al. (2016), it involved a different group of participants with different selection criteria. In Johnson et al.'s research, the students had to attend a public university and have at least one student loan to qualify. In this study, the participants had to be recent graduates (2014–2020) of one of the three selected nationally recognized universities who held above-average student debt.

Montalto et al. (2019) reviewed the literature on student loans using a financial wellness lens. The researchers presented many financial wellness factors, such as financial literacy, credit card usage, financial anxiety and stress, and financial self-efficacy. Ultimately, Montalto et al. found that the students' attitudes and perceptions brought into their college journeys influenced their overall financial wellness. The best way to bring forth initiatives beneficial to students is to understand their concerns and the resources they can access. Montalto et al. also stressed the need to understand student loan education and financial wellness initiatives with a holistic approach. According to the researchers, financial wellness directly relates to a student's overall wellness.

Montalto et al. (2019) affirmed the purpose of student loans as vital national tools for helping students access higher education. However, higher education policymakers must also continue to improve access. The authors emphasized the importance of understanding college students' overall financial wellness, including their precollege perceptions and student loan knowledge. Additional student loan data could lead to intentional and thoughtful policies that enable the continued use of student loans as a tool for long-term financial well-being and human capital development.

Conclusion

This chapter presented the importance of higher education for the greater community and the cost of pursuing it. Additionally, the literature review addressed student debt and its connections with the larger student loan crisis. A recurring theme was the need for further research on student debt in various areas. This chapter had four parts that provided insight into the multiple factors in students' journeys in higher education.

Section 1 presented education on the human capital investment under research in this study. The section showed education as a positive investment in an individual's future. Via the human capital theory, there was a description of the importance of education to society and the benefits of pursuing higher education, followed by the individual and social benefits of making an educational investment. Section 2 was a review of the higher education and cost and federal funding for higher education to provide insight into the costs associated with education. This section addressed the costs of education and how individuals afford to pursue it. Section 3 presented a review of the student loan crisis, student loan default, and the consequences of debt for additional insight into the outcomes of deciding to use student loans. The chapter concluded with Section 4, an overview of the similarities and differences of relevant studies.

The literature has shown the severe issues of the student debt problem, which affects multiple aspects of student borrowers' lives. Student debt can result in emotional exhaustion, burnout, and depression (Ulbrich & Kirk, 2017). The broader conversation around rising student debt focused on tuition costs and providing support for reducing these costs. Cutting tuition may be an avenue that merits further exploration; however, the larger conversation should provide additional solutions, as other areas of opportunity exist. Identifying solutions requires further input from the students who have lived through the process. The goal of this study was to provide such students with a voice to identify solutions to help others.

The literature review indicated a gap in qualitative research on student borrowers with above-average student debt. This study addressed the research gap by focusing on the narratives of recent graduates with greater-than-average student loan debt.

CHAPTER 3: METHODOLOGY

The purpose of this study was to explore student lending practices and graduates' perceptions and attitudes toward student borrowing and student loan debt. This study focused on the perceptions of 2014–2020 graduates with above-average student loan debt ($32,731 or more) from two public institutions and one private 4-year nationally recognized institution. In this study, a nationally recognized university was an institution with a program ranked in the top 50 compared to other universities based on the U.S. News Best College rankings. The participants were graduates from nationally recognized universities to determine if connections affect a student's decision to attend an institution. The definition of connections was individuals identified as important to the participants—ideally, family members or close friends.

The study was guided by the following research questions:

1. How do graduates from 4-year higher education institutions perceive the various influences on their decision to use loans to pay for their college education?
2. How do graduates perceive the value of using loans as an investment tool for a college education to enhance their human capital?

Phenomenological Inquiry

Strengths

Phenomenology originated in the 1900s with Husserl's publication of *Logistical Investigations* (Vagle, 2018). Scholars have hailed phenomenology as the basis of qualitative research, as it provides a space to access and make sense of others' lived experiences. The goal of phenomenology is to achieve a more sophisticated understanding of everyday occurrences and their overall meaning (Starks & Brown Trinidad, 2007). Phenomenology focuses on individuals' lived experiences in their perceived worlds and their routine lives. The theory has a holistic approach to studying the human experience from an individual perspective (Lichtman, 2010).

The foundation of phenomenology is conducting research to understand the nature of an occurrence or phenomenon in everyday life. A phenomenological researcher interacts with individuals to gain an understanding of the central phenomenon. Ideally, the scholar immerses in a phenomenon to explain it from the perspective of the contributors (Lichtman, 2010).

A qualitative phenomenological inquiry process was the most suitable approach for this study focused on participants' lived experiences related to student borrowing practices. In line with the phenomenological approach, the purpose of the study was to understand student borrowers' ideas about student loans, their practices of borrowing, and the perceived implications of borrowing. The understanding emerged from listening to student borrowers' experiences and their interpretations of those experiences (see Lichtman, 2010). The primary advantage of a phenomenological approach is the ability to gain firsthand knowledge of the participants' experiences via interviews (Lewis-Hickman, 2015).

Limitations

Phenomenological scholars strive to avoid personal bias when conducting research, as they may have strong connections with their topics. Interest, combined with the participants' personal experiences, could cause researchers to struggle to separate their personal feelings about the topic from their data interpretation or presentation (Lewis-Hickman, 2015). Another limitation of phenomenological research is sample sizes smaller than other approaches, such as grounded theory. Collingridge and Gantt (2008) asserted that the most well-structured phenomenological studies consist of interviews with up to 10 participants. Small sample sizes could provide a more in-depth level of analysis; however, some researchers may consider small samples a limitation (Smith et al., 2009).

Research Sample and Sources of Data

Data collection commenced through interviews for information about the participants' feelings, emotions, attitudes, and behaviors that impacted their perceptions. The phenomenological structure was the approach used to uncover the essence of student borrowers' experiences and perceptions about investing in themselves and the influences in their decision to incur student debt. This section presents participation criteria, the sampling method chosen to identify the participants and the institutions from which the participants came.

Sampling

According to Patton (2002), purposeful sampling is the preferred method for recruiting participants in qualitative research. The objective of research "is to yield insightful results'' (Bloomberg & Volpe, 2016, p. 148) and understand practices. Thus, the rationale for purposeful sampling is that it produces information-rich cases and an in-depth understanding not available through random sampling.

The goal of determining sample sizes in qualitative research is to achieve saturation with a large enough sample to adequately address the desired phenomenon and research questions (Patton, 2015). Creswell (1998) recommended an optimal sample size of between 5 and 25 participants for a phenomenological study. However, in a more recent text, Creswell and Poth (2018), indicated that no specific number exists. Creswell further explained that researchers must determine the number of participants based on the research design. A review of several research studies resulted in an approximation of three to 10 participants for a phenomenological study

(Creswell & Creswell, 2017). Accordingly, the desired sample size was 10, with a minimum of three participants from each university.

Sampling Frame. The sample frame consisted of recent graduates (2014–2020) of the selected nationally recognized universities with above-average student loan debts of at least $32,731. The desired sample was 10 participants from the chosen schools (Aspen University, Alora University, and Ithica University). The participants could have graduated from any degree program. This study required the individuals' willingness to participate; therefore, purposeful sampling was the most suitable approach for recruiting participants. Purposeful sampling, also known as judgment sampling, consists of choosing participants based on their qualities (Etikan et al., 2016).

Soliciting a purposeful sample of student borrowers occurred from the selected nationally recognized universities via Facebook and Twitter Pages. Advertisement of the study occurred in social media groups for the students who attended the chosen institutions. The recruitment letter (see Appendix A) presented the study's details and participant criteria.

Participants

In this study, interviews commenced with 10 recent graduates (2014–2020) of nationally recognized universities with above-average (according to the Federal Reserve) student loan debt of at least $32,731. The participants were between the ages of 18 and 50. According to the Federal Reserve Bank of New York (2013), individuals in this age group hold the majority of student debt. However, the report did not indicate if the individuals hold this debt for individual pursuits or for children.

The universities included in this study were Aspen University, a public institution in the Southeast United States; Ithica University, a public institution in the Southeast United States; and

Alora University, a private institution in the Southeast United States (all pseudonyms). For this study, a nationally recognized university was an institution with a program ranked in the top 50 compared to other universities based on the U.S. News Best College rankings.

All individuals participated voluntarily and could withdraw at any point. Each participant read and signed the informed consent document (see Appendix B) before engaging in interviews. Each participant received a thank you letter (see Appendix C) that provided contact details for the researcher's advisor and the university director of research compliance. The study presented only minimal risks to the participants. Because the study required graduates to reflect on their situations and offer their perspectives, some participants could have felt uncomfortable answering some questions. If this happened, they could decline to answer; however, this did not occur. The benefit of taking part in the study was that the participants could contribute to how others understand student debt.

The following paragraphs provide additional information about the institutions chosen for this study. The researcher had a personal connection to one of the institutions and, as a result, had access to a network of alumni. The institutions were all located in the same state to minimize unknown regional differences. Lastly, all the institutions had top-50-ranked programs based on the U.S. News Best College rankings.

Aspen University

Ranked in the top 115 of 312 national universities according to U.S. News and World Reports, Aspen University is a public institution in the Southeast United States founded in the mid-1800s. Its NCAA Division I sports teams have a large fan base, making the university's city one of the busiest in the region on game days. Aspen is a sizeable university with an enrollment of over 20,000 students.

Alora University

Alora University is a private institution in the Southeast United States ranked in the top 95 of 148 regional universities in the South according to U.S. News and World Report. The university was founded in the late 1800s. Alora is a small institution with an enrollment of fewer than 5,000 students.

Ithica University

Ithica University is a public institution in the U.S. Southeast ranked in the top 130 of 312 national Universities according to U.S. News rankings. Founded in the early 1800s, Ithica University is an NCAA Division I school with competitively strong sports teams. Ithica is a large institution with an enrollment of more than 20,000 students.

The rationale for institutional selection was that the researcher had access to alumni networks for two schools. The universities were located in the same area, which provided the ability to control for the factors that might influence different regions. The choice of universities was also to account for different institution types, such as public, private, historically Black, and predominantly White. Participants from various institution types contributed to the scope of perceptions in the study.

Data Collection Methods

Semistructured, virtually recorded interviews were the preferred method of data collection for the target population of student borrowers. Semistructured interviews commenced for insight into the participants' perspectives of their experiences (McIntosh & Morse, 2015). This study focused on the students' perceptions of their decision-making experiences; therefore, the semistructured interview method was an appropriate approach to data collection. Zoom videoconferencing was appropriate to conduct the interviews because the participants could easily access the platform. Additionally, Zoom provided a feature for recording the interviews. A secured drive on Box.com was the means used to store the video recordings until transcription, with the recordings deleted afterward.

The semistructured interviews occurred to gather the participants' perspectives and opinions of the impact of student debt on their lives and borrowing practices. Access to the information occurred via narratives of the participants' personal experiences, feelings, and social worlds (see Bloomberg & Volpe, 2016). An interview protocol of questions (see Appendix D) was the means used to guide the interview. The semistructured approach provided the ability to receive information through interviews and the parameters needed to "facilitate a more focused exploration of a specific topic" (Bloomberg & Volpe, 2016, p. 155), such as student borrowing. Semistructured interviews were appropriate to capture the participants' perceptions of several factors regarding student loans. The participants shared their feelings in their own words on the topic to support the purpose and essence of the study.

A FERPA-compliant cloud drive to which only the researcher had access was the site for storing the interview transcripts. Field note collection occurred during and after the recorded interviews. According to Ravitch and Carl (2016), researchers take field notes to document the activities observed during the interviews to understand the data. The researcher will keep all electronic copies of the field notes for 3 years after the study's completion.

The data collection process had four steps: DePaul University Institutional Review Board (IRB) approval, participant solicitation, participant selection, and interviews. The IRB review process included assessing the interview protocol and consent documents. After receiving approval, participant solicitation occurred, with flyers posted on group and personal pages on the social media sites Facebook and Twitter specifying. The recruitment postings provided the study purpose and the researcher's contact information (see Appendix A).

After posting the flyer, Step 3 of the data collection commenced by selecting the graduates interested in participating. A 5- to 10-minute phone screening occurred with each respondent to determine eligibility, obtain consent (see Appendix C), and schedule the semistructured interview. Before the interview, each participant received the consent form, a calendar invitation with the date and time of the meeting, a link to the meeting room, and the researcher's positionality statement, which included personal thoughts on student loans to increase transparency.

Interviews occurred in Step 4 of the data collection process. Before beginning the conversations, the participants were thanked for their time and reminded of their consent. The participants learned that the data collected from the interviews would be used to understand recent graduates' experiences with high student debt balances. They also learned that their information would contribute to research and fill the gap in the literature on student borrowers' experiences with high student debt levels.

The participants were to answer the questions as descriptively as possible to provide a full understanding of their experiences. The respondents could choose not to answer any question or stop the interview at any time without penalty; however, none did. After having an opportunity to ask questions, each participant provided verbal consent to record the interview.

The participants answered the interview questions from the IRB-approved interview protocol (see Appendix D) with a semistructured format. The interview remained as informal as possible so the participants felt comfortable, and the only questions asked were the prepared ones in the protocol. The average interview length was 42 minutes. Data collection occurred without issue, as no participants declined to answer any questions, and there were no emotional outbursts or uncomfortable situations.

Data Analysis Methods

Data analysis commenced with inductive reasoning, which consists of revising and using information (in this study, the interview responses) to explain a broader principle or theory (Creswell, 2014). The participants' responses contributed to a larger conversation about student debt. The vast amount of data included the participants' general perceptions about borrowing practices; the inductive model provided the data with the ability to speak for itself. Ten participants was a small sample when considering the sizeable population of nearly 42.4 million student borrowers (Rosen, 2017). The virtual interviews provided the ability to observe the participants' facial expressions, body language, and overall changes in demeanor. However, the data were the means used to provide a better understanding of graduates with above-average student loan debt

Coding

The element coding method of process coding commenced in first-cycle coding, as the study focused on the decision-making processes in which students engage before deciding to take student loans (Saldaña, 2013). This cycle consisted of analyzing the responses and highlighting 325 notable statements. Based on the practices of Saldaña (2013), reading and rereading the transcripts was a means to group the statements into codes and assign short phrases to summarize groups of significant statements. The initial codes used were (a) demonstrating knowledge, (b) influence from a connection, (c) stating a personal truth, (d) being influenced, (e) decision-making, (f) feelings, and (g) delayed decision-making. These codes were descriptive representations of the various categories that emerged from clustering the notable statements (see Creswell, 2014).

Axial coding techniques, commonly used with grounded theory, occurred in the second cycle of coding for a constant comparison of the stories received through the data (Bloomberg & Volpe, 2016). Axial coding commenced to recognize the possible relationships that emerged from the interviews. Axial coding also consists of categorizing and organizing codes to explain more substantial portions of data (Charmaz, 2006).

Core themes emerged for the study's core phenomenon of student debt. Evaluation of the interview data in the open coding portion of the study showed overarching similarities. The axial coding method consisted of grouping the emergent themes, topics, or patterns from the data (Bloomberg & Volpe, 2016). Lastly, analyzing the overarching themes and patterns led to the formation of future theories about student debt and borrowing practices.

Trustworthiness

Peer debriefing and member checks were means to increase the trustworthiness of the study's findings. Peer debriefing consists of "asking a colleague to examine your field notes and then ask you questions that will help you examine your assumptions and/or consider alternative ways of looking at the data" (Bloomberg & Volpe, 2016, p. 163). Often, when immersed in a situation, a researcher can inadvertently fail to recognize forces in the system or become unaware of minor steps because of the routine nature of the process. Research has relevance only if others can understand it. In this study, peer debriefing was one way to enhance the clarity and relevance of the data.

Member checks occurred in the same capacity and consisted of "sending the transcribed interviews or summary of researchers' conclusions to participants for review" (Bloomberg &

Volpe, 2016, p. 163). Member checks were the means used to ensure that personal biases did not influence the data collection or analysis. Trustworthiness was also be extended to participants via the consent form (see Appendix B) and by informing them of the use of pseudonyms to protect their data and confidentiality. The participants received copies of the researcher's positionality statement before the interviews to establish transparency.

Limitations of the Study

The study methodology had limited data collection methods due to time and access constraints. Recruiting all participants from social media could have resulted in a biased sample. The study had limited results because each participant had graduated from one of three institutions in the Southeast United States.

Because the study occurred virtually, there was a potential for technical difficulties and a possible learning curve with the online platform used to conduct the interviews. Another limitation was the limiting of interviews based on the participants' availability. Recorded virtual interviews were the primary data collection tool, with the researcher as the primary data collection instrument. The data collection occurred per the interview protocol in Appendix D.

CHAPTER 4: FINDINGS

Findings

This study included the perceptions of higher education graduates to determine if personal connections influence students' choices to attend particular institutions and the perceived influence of debt on students' current and future lives. Each interview question provided additional clarity on the subject. The existing literature on student debt indicated the need for further research on students with high debt balances to find solutions to student debt issues. This study filled the gap in the literature by providing the perspectives and experiences of recent graduates. The participants' responses contributed to answering the study's research questions:

1. How do graduates from 4-year higher education institutions perceive the various influences on their decision to use loans to pay for their college education?
2. How do graduates perceive the value of using loans as an investment tool for a college education to enhance their human capital?

Research Setting

The goal of this study was to interview recent graduates (2014–2020) of nationally recognized universities with student loan debts above the average of $32,731 (according to The Federal Reserve). The participants were between 18 and 50 years of age and had attended one of the three specified universities: Aspen University, a public institution in the Southeast United States; Ithica University, a public institution in the Southeast United States; and Alora University, a private institution in the Southeast United States. For this study, a nationally recognized university was an institution with a program ranked in the top 50 compared to other universities, according to the U.S. News Best College rankings.

Interviews commenced with 10 participants who met the participation criteria. The following section presents a breakdown of the demographic information. All the interviews occurred virtually via Zoom in the researcher's meeting room. Each participant engaged in an interview alone in a private space and could speak freely during the consent process. All the interviews occurred within the 90-minute allotted timeframe; the average interview time was 42 minutes, not including opening and closing formalities.

Demographics

This study's findings came from a purposeful sample of 10 participants who had graduated from nationally recognized institutions. The participants were graduates between 24 and 43 who had obtained undergraduate or postgraduate degrees. Four graduates had bachelor's degrees, five had master's degrees, and one had a Ph.D. Eight participants had graduated from predominantly White institutions, and two had graduated from a historically Black college or university.

Three participants identified as Black, and seven participants identified as White. Seven participants identified as female, and three participants identified as male. Half of the participants were first-generation college students. One participant reported a student debt balance of between $30,000 and $60,000, five reported balances between $61,000 and $90,000, and three reported balances of over $100,000. One participant did not know the student debt balance.

Table 1

Participant Demographics

Participant	Age	Gender	Race	First-generation college student (Y/N)	School attended (public or private)	HBCU or PWI*	Student loan balance range	Highest level degree completed
Ashley	24	Female	White	No	Public	PWI	$61–90,000	Master’s
John	30	Male	White	No	Public	PWI	$30–60,000	Master’s
Lauren	30	Female	White	Yes	Public	PWI	I don’t know	Master’s
Megan	33	Female	White	Yes	Public	PWI	$100,000+	Master’s
Constance	24	Female	Black	No	Private	HBCU	$61–90,000	Bachelors
Hannah	26	Female	White	No	Public	PWI	$61–90,000	Bachelors
Mary	42	Female	White	Yes	Public	PWI	$100,000+	PhD
Mike	41	Male	Black	Yes	Public	PWI	$100,000+	Master’s
Josh	25	Male	White	Yes	Public	PWI	$61–90,000	Bachelors
Imani	29	Female	Black	No	Private	HBCU	$61–90,000	Bachelors

Note. *HBCU = historically Black college or university; PWI = predominantly White institution.

Figure 1

Descriptor Ratio Chart

Comparison Field Groups / Target Field Groups	Female	Male	Total
Sex			
Female	7 (100%)	0	7
Male	0	3 (100%)	3
First Generation College Student			
No	4 (80%)	1 (20%)	5
Yes	3 (60%)	2 (40%)	5
Race			
African American	2 (66.7%)	1 (33.3%)	3
Caucasian	5 (71.4%)	2 (28.6%)	7
Highest Level Degree Completed			
Bachelors	3 (75%)	1 (25%)	4
Masters	3 (60%)	2 (40%)	5
PhD	1 (100%)	0	1
Age			
20-25	2 (66.7%)	1 (33.3%)	3
26-31	3 (75%)	1 (25%)	4
31-36	1 (100%)	0	1
37-42	1 (50%)	1 (50%)	2
43-48	0	0	0
Student Loan Balance Range			
30-60K	0	1 (100%)	1
61-90K	4 (80%)	1 (20%)	5
90-100K	0	0	0
I dont know	1 (100%)	0	1
Over 100k	2 (66.7%)	1 (33.3%)	3
Institution Type			
HBCU-Private	2 (100%)	0	2
PWI-Public	5 (62.5%)	3 (37.5%)	8

Study Purpose

The purpose of this qualitative phenomenological study was to explore the perceptions of higher education graduates. The goal was to examine if personal connections influence a student's choice to attend a particular institution and the perceived influence of student debt on students' current and future lives. The data included the perceptions of student loan borrowing practices of 2014–2020 graduates from two 4-year U.S. public institutions and one 4-year private U.S. institution, with each interview question providing additional clarity on the subject. The following section presents the major themes that emerged.

Introduction of Themes

Patterns and themes emerged from the transcripts during the data analysis process. Creswell (2014) noted that phenomenological researchers use themes or "categories" to form a general description. Researchers should support the themes with various quotes and show different perspectives. Saldaña (2013) suggested defining phrases to determine the meaning or provide meaning to the data. The overarching emergent themes addressed the research questions and provided clarity to the study. The themes were (a) influence on going to college, (b) influences on school choice, (c) attitudes on college education, and (d) student loan knowledge.

Study Findings

The research questions were:

1. How do graduates perceive the various influences on their decision to incur loans to pay for their college education?
2. How do graduates perceive the value of using loans as an investment tool for a college education to enhance their human capital?

The data analysis produced answers to these questions with several layers. In responding to the interview questions, participants reflected on three times in their lives: (a) preloan, before taking out the student loan; (b) the loan process, the process of taking out the student loan; and (c) postloan, after taking out the student loan.

In the pre-loan process, the participants discussed when they decided to attend college and their experiences of planning for college. This preloan process portion presents the influence in going to college and school choice and the participants' attitudes on college education themes. In the loan process portion, the participants described their experiences with borrowing procedures and student loan knowledge. In the postloan section, the participants reflected on the process of borrowing. The four themes and answers to the research questions emerged as the participants shared their perspectives of the three periods.

Pre-Loan

How do graduates perceive the various influences in their decision to incur loans to pay for their college education?

The rational choice theory provided a theoretical framework to explore how the graduates perceived the various influences in their decision to incur loans to pay for their college education. According to rational choice theory, every action has a rational nature. When faced with a decision, people adequately weigh the costs and benefits of their actions before making a choice (Scott, 2000). Applying the rational choice theory to this study could indicate that the graduates felt motivated by their goals and desires. The graduates used their knowledge to determine whether or not taking on student loans was a favorable decision.

Influences on Going to College. Participants shared their perceptions and described the phases of the pre-loan process. The graduates had to make several decisions before opting to take out student loans to fund their education. However, they had to decide where to attend college. Of the 10 participants, half had always known that they would go to college, and half knew by high school that they would go. The participants also reported choosing to attend college due to other reasons or influences, including following a significant other (10%), career choice (20%), and television (10%).

When asked about the factors or information that influenced her decision to attend college and if any influence came from a television show, Mary stated,

> Actually, yes. I don't know that I would, being a first-generation college student. I don't know that I would have thought a lot about college had I not been obsessed with *Gilmore Girls* and she went to Yale. And she came from, you know, a teenage mom, single-mom household. I was like, if Laurie can go to Yale, I can get [into] college. Honestly, that is what spurred that thought in my head.

An overwhelming majority of participants reported an expectation to attend college early in their lives. Several graduates described the unspoken need to attend college.

Many of the participants mentioned being in environments where, although not always explicitly stated, the belief was that college equals success. The idea that college provides more opportunities was a common theme. Mary described the factors and information that influenced her decision to attend college:

> I knew I needed an undergrad[uate] degree, and I was really not sure what I wanted to do or what [would happen] beyond that, but I knew I wanted to give myself as many options as possible. Put it this way: I knew I had measurably fewer options if I did not attend.

Nine participants (90%) identified parents and friends as influencers in deciding if and where to attend college. Therefore, connections influenced the participants' school choices.

Constance recalled one influence on where she attended college, saying, “So, my mother, she went to a Black college for undergrad, so she wanted me to apply to at least two Black colleges.” When asked the same question, Josh stated,

> Being that I was a first-generation college student, I was raised with going to college [as] the expectation. The overall decision was influenced partly by team affiliation and relationships. My family would always talk about [schools] like Aspen, Ithica, going to one of the big “state” schools.

Connections to include family or friends had a strong influence on the participants’ school choices and where they decided to apply. However, where they gained admission was another factor in the choice of college.

Influences on School Choice. Seven of the 10 participants noted scholarships as the determining factor in choosing between the schools where they had received admission. Liking the campus environment was a close second. In this case, the campus environment indicated the particular culture of the campus. Lauren noted, “With Ithica, like when I toured [the campus] again, I just felt like I wanted to be a part of that atmosphere or environment.” Hannah reported, “I think sports, [like] college football, was a big draw for me.” The participants described the institution’s reputation, location, and scholarships as the three primary factors in their decision to attend.

The participants talked about their college planning journey in two parts: (a) the overall process and/or experience of planning for college and (b) the preparation for taking out student loans. The participants described the overall college planning process as hectic; however, a common sentiment was a primary focus on admission. The participants considered everything else after admission as secondary. Mike explained,

> My primary thought was [that] I'll figure [paying for school] out once I get in. My biggest worry was getting into school. So, to be honest, besides kind of having a general idea that, hey, school costs money and we'll have to figure that out, my biggest thing was making grades and testing because, without that, school wasn't gonna happen.

Once accepted into the institutions, the participants moved into the second part of the planning process: preparation for taking out student loans. All the participants identified student loans as an area of opportunity. Seven of the 10 interviewees reported that they did not plan to take out student loans, while the other three reported minimal planning. The participants overwhelmingly expressed that they wished they had known more about the process and regretted not taking it more seriously. Hannah expressed,

> I don't think that I planned for it [taking out a student loan]. So, like, in hindsight, there's a lot of things I would have changed leading up to that. So now I'm realizing it really wasn't part of my decision. Unfortunately, my big regret that I have [is] I was kind of just being naive, being 17–18 years old and not looking into things, and I definitely wish I was educated a lot more on that.

The graduates reported having accurately anticipated costs such as tuition and fees, which most universities clearly outline. However, they were surprised by the costs of books, living expenses, travel home, campus involvement, games, and organizational memberships. Ashley related,

> I mean, I knew what tuition was going to be on paper. I think living expenses were a little bit higher than what I thought because this was my first time not living at home. And so, I didn't anticipate that very well, and then I guess the extraneous cost, and because it's not just tuition, like their books, their lab fees—they will literally squeeze every penny out of you. So that was a big one that when I looked at tuition on paper, I could kind of map it

> out. And then once you start with—once you start, I don't want to say just this program because I know it's across the board [for] any program. Okay, well, we're going to need, you know, $500 for this, and I was in a health professions program. So they wanted us to join certain societies, different associations that are linked to our profession. I mean, those would be like, a couple [of] hundred dollars a year that we needed to join. So there were all those things that I don't remember them being outlined. As far as like when I did my research, I don't remember them saying, "Well, you're gonna have to pay $300 or $400 a year just for, you know, just to join OT [occupational therapy] associations." Those are just kind of slid in there after you're already in the program.

Hannah stated,

> Books, traveling back and forth between home and Ithica. Those are all things I didn't anticipate. Sorority dues. I guess with the culture there, going to away games and more stuff like that. I don't think I understood how— I'd always heard how expensive textbooks were, but it was a wake-up call when I finally, you know, I spent $1,000 on books. That was definitely brutal.

Attitudes on College Education. A 2014 Gallup and Lumina Foundation survey found that 95% of college students believed that the purpose of going to college was to get a good job. Thus, students perceived college as an investment that provides more opportunities—essentially, a bridge to a brighter future of more significant earning potential and more fulfilling careers (Chan, 2016). Statistical evidence has provided support for these sentiments. In 2016, the average full-time worker with a bachelor's degree had an average salary 67% higher than high school graduates (Ma et al., 2016). In this study, the participants' responses aligned with the existing research.

Evaluation of the first research question occurred after hearing the participants' perceptions of the pre-loan process. The first research question was, "How do graduates perceive the various influences on their decision to use loans to pay for their college education?"

The participants had to consider the indirect and direct influences on their decisions to use loans to pay for college. The indirect influences consisted of the environments created by parents and influenced by peers. The environment is an indirect connection because it is where the desire to obtain higher education emerged; however, as discussed, higher education is expensive. For example, first-generation students described the expectation to be the first to attend college in their families. Josh said, "I was kind of raised with that [as] the expectation since I was a first-generation [student]." Mike stated, "I was a first-generation [student], and my parents had that desire for me to go to college."

Similarly, the participants whose parents had gone to college expected their children to carry on the tradition. Ashley shared,

> My dad has a degree in veterinary medicine. So, he has a doctorate. I think it was just kind of the culture in our family that we would all go to college. When I first graduated high school, [and] I had first started my undergrad[ate], I remember that I considered doing [something] like a technical degree, like a radiologic tech or ultra-sonographer or something like that. And I can remember my dad pushing me to go for at least a bachelor's degree in something if not to go on and get a master's.

The direct influences in the graduates' decisions to take student loans to pay for college consisted of their perceptions that they could not go to college without loans. In the pre-loan phase, the graduates decided to go to college because their environment indicated that college equals success. Lauren communicated,

> Going to college was forced on us our whole lives. And not forced on us, like we had to do it or else, but forced onto us like, you know, this the way to be successful. This is the only way to make money.

They persisted in the process of selecting the right school according to their standards because they believed that college was the path to success. However, continuing on the path to success required money, and the participants had to decide whether to take loans or not to attend college. Lauren continued,

> I know my parents would have helped me [pay for school] if they could have, but they just…couldn't. So, I guess, on top of that to say, you know, I know most people are probably like, "I can't believe she would rather have college debt than to not go to college," but I do. And also, my parents were not. They grew up in similar situations with their families. So, it was kind of like generational poverty, and they did not have a lot of financial literacy as well to kind of explain. I mean, I knew, like, this is a loan. I have to pay it back. So, it wasn't necessarily that I didn't know, but I guess no one ever sat down and talked with me about [it]. Like, I really don't even know what I owe because interest just keeps [growing]. Yeah, so I think I knew what I was doing, but I don't know that I knew to the full extent. I don't think I really thought twice about it because, like, one day I'm gonna make money, and I'll be okay.

Participants considered taking out student loans the most rational of the two choices.

During the Loan Process

The participants described their thoughts and feelings when they decided that they needed to borrow money for school. They discussed if and how they sought information about student loans and what they considered in their decision. To answer a question in the research protocol, the participants rated their financial management and planning knowledge before taking loans on a scale of 1 to 10, with 1 = *I knew nothing at all about financial planning and management* and 10 = *I considered myself an expert in financial management*. The participants had an average rating of 4.7, with a range from 3 to 7.

In providing their ratings, the graduates presented similar descriptions of financial planning and management knowledge. Mary said,

> Like a 4 on a good day. It's just [that] I was never taught any of that stuff by my parents. I mean, I just I never had any kind of loan counseling or anything… I didn't know any of it. I don't think I had a credit card until I was in my 30s.

Constance explained, "I would say probably like a 7 because I took a personal finance class in high school. I [also] discussed financial things with my parents, so I had an idea of, I guess, how to plan financially."

An answer to the second research question emerged from the loan process portion of the interviews. The second research question was, "How do graduates perceive the value of using loans as an investment tool for a college education to enhance their human capital?" The human capital theory was the lens used to view this research question. Human capital theory indicates that training and education are not solely a consumption of resources; instead, they are an "investment in future productivity" (Rauch & Frese, 2000, p. 3). According to human capital theory, educational pursuits are a form of capital producing favorable results over time (Becker, 1985).

After assessing their financial management and planning knowledge, the participants examined the point when they realized that loans would be part of their pursuit of higher education. The participants described their thoughts and feelings when they decided they needed to borrow money to pay for college, frequently using words such as *depressed*, *devastated*, *surprised*, or *disappointed*. Imani said, “[I felt] devastated and depressed and then kind of I guess, like, [this is my] last option or last resort.”

However, six of the 10 participants viewed their loans as an investment and their only option in persisting in their studies. Mary said, “I feel like I was in too deep, like it was either drop out or take on more student loan debt.” Mike explained,

> [Student loans were] not something I wanted to do. But I looked at it as a sacrifice in order to obtain an education, and that in the end, [the loan] would, in theory, all take care of itself. If I’m taking a loan out now, if getting degrees puts me in a better position financially in the future, then that should, in theory, kind of cancel itself out [and] pay for itself.

Lauren expressed similar sentiments, saying,

> This is one of those things I tell people, like, I’m just being completely honest, I would rather have student debt than have not gone to college. The experiences that I had [and] the people that I met. Just, I mean, there’s no price tag on that. I mean, I can’t imagine where my life would be had I not gone to college. But to me, I am okay with my student debt. Because you know, I knew that I would not be able to go to college if I didn’t have a loan.

Mary reported, “[My feeling was] kind of acceptance because I knew that if I wanted an education, [a loan] was kind of my only way to fund it.” All the participants believed that their degrees would produce favorable results over time. Despite having different expectations, the graduates ultimately appreciated the value of their college education.

Knowledge of Student Loans. Another theme that emerged from the participants' responses was the knowledge of student loans. Ulbrich and Kirk (2017) commented on the need to expand the student debt crisis conversation. According to Ulbrich and Kirk, student debt issues focus on tuition; however, there is a need to address other factors, such as borrowers' lack of knowledge about their student loans and personal finances. The data provided by this study aligned with the findings by Ulbrich and Kirk. All 10 participants described researching information about student loans via Google, financial aid websites and workshops, and books in their loan decision-making process, which provided a better understanding of the resources used to gather information. Of the participants, 60% (n = 6) considered repayment options, and 40% (n = 4) said they did not.

The next area explored was the participants' thoughts and feelings about the loan process. Eight of the 10 participants mentioned how easy they found the loan process, noting that they did not have to communicate with anyone during the process. However, when asked if they felt that they understood the responsibilities of borrowing for college, eight reported that they did not understand the responsibilities of borrowing. Also, six participants reported that they did not know the interest rates of their loans. Additionally, none of the participants knew what their future payments would be. Josh said, "No, [the details were] never discussed with me. And my lender was never forthcoming. In retrospect, [I] probably could have reached out and asked, but it was never like any communication that was just decent." Lauren explained,

> I started repaying after I graduated, and I got my first bill. I was like, that's half of my paycheck. And so that's when I called, and that's when I started finding out about the payment options, like income-based and things of that sort. I had a guesstimate in my

> head of very basic economic versus statistical knowledge. But no, I had no idea what [my loan payments] would be.

When asked about how they decided how much money to borrow with loans, four of the 10 participants stated that they took as much as they could get to, in essence, provide some financial security. Megan said,

> But when it came to how much [money to borrow with loans], it was just the max amount that I could get. You know, like, feel covered, I guess. Once tuition and books and all that stuff came out, I wanted to make sure that like if there was an emergency and I needed to pay rent with it one month or something, that I had it or my laptop broke [and] I needed to get it fixed.

In contrast, the remaining three used the tuition balance and living expenses to determine an adequate amount. 40% (n = 4) of the participants mentioned that they entertained thoughts that they might not complete college during their studies. Lauren explained,

> I do remember the one time us[ing] a private loan. …Basically, I was gonna have to pay a certain amount of tuition to continue that semester or that summer class. I didn’t know anybody that [I] could ask [to borrow the money], and I had already used my federal money for that year. So, I guess that was the only time that I thought about it.

Still, half reported that they knew what would have happened with their student loans if they had decided not to complete college. If student borrowers do not complete their degrees, the loans must still be paid (Gladieux & Perna, 2005). The finding of various loan particulars, such as rate and payment, aligned with Johnson et al. (2016), who questioned, “What are student loan borrowers thinking?” Johnson et al. stated that most of the respondents in their study knew little about their loan details.

Post-Loan

The participants discussed whether they could recall receiving any pre-loan counseling about preparing to manage the loans after graduation. Forty percent (n = 4) of the participants said they did not remember any such counseling. Sixty percent (n = 6) of the participants said they received counseling but that it did not provide adequate preparation for managing their loans effectively. Megan responded, “No. They didn’t even talk about it [how to manage student loans after graduation] until I finished, and they sent that email for the loan exit interview thing. Like, that was it.”

A question about the connection between participants’ financial management during school and their student loans was a means to better understand if they felt their knowledge of financial management had any bearing on how they handled the student loans while in school. Half of the participants thought there was only a minor connection. Hannah expressed,

> Not a lot, I think. I think it was kind of one of those things where I knew I would have to pay it off, but I didn’t really think about it at that point in time when I was in school. I think I was more, you know, okay, I’ll worry about once I get there. Then I’ll start worrying about it.

Lauren explained,

> Honestly, I knew enough to survive. I wish that I could [have], like, managed money to put back to my student loan and things like that. But like I said, at the time, I was fully supporting myself there. I mean, I remember times, but I laugh back at it now. But I mean, I remember one year, I literally had five jobs, and then going to school full time and doing my student teaching. You don’t get paid during student teaching, and that’s a job. And I— My placement was like an hour away from my apartment. So, I was

> spending so much money on gas and food. …I guess, like, people have this misconception that, like, if you're poor, you don't manage money well, but if you don't make enough money to put back for savings, or whatever— I mean, I literally made just enough to survive. So I managed well because I didn't, you know, I didn't have this typical partying in college experience because I didn't have money or time to do those things. So, I guess I would say for me personally, there was not a huge connection. Like, I don't think that I mismanaged money. I just didn't have a lot to start with.

However, the participants who reported a substantial connection indicated that they would have been better prepared to handle their loans if they had known more. Exploration of the perceptions of the value of using loans as an investment tool for college education showed that most participants viewed using loans as a positive investment but wished that they used the tool better.

In providing a clearer understanding of the college-planning process, the participants reflected on their senior years in high school, preparation for their first year at college, and thoughts about paying for school. Most of the participants knew they could not afford school without loans and scholarships. However, not one graduate had a specific plan or outline for funding higher education. Mary stated,

> I mean, I think my grandparents bought some bonds. I think. Yeah, I mean, my parents didn't have, like a college fund or anything. Um, I guess it was just like, get accepted somewhere, and we'll figure it out, which is how you end up with [Option] D: over $100K in student loan debt, probably.

Megan described her experience of planning for college as a:

> Chicken with your head cut off. My parents, you know— I [was a] first gen[eration] college student. They didn't know how to help. You know, they didn't know how to help, like, apply for schools, what schools to look at for what I wanted to do. So, it was just in my high school counselor, [who] wasn't very great, either. So it's just me kind of doing my own research to the best of my high school ability and figuring it out as I went.

Mike expressed,

> I feel, like, that I planned academically—you know, socially, emotionally, all those other things—but the finance piece was the part that I felt like I could think about plans, but I wasn't really in a position to do much. [My] options were pretty limited.

The participants also described their thoughts and feelings now that they had had the loan for a while. The responses showed a clear distinction between the participants' feelings about loan balances and student loans as a tool. For example, many interviewees expressed feelings of hopelessness and bitterness, believing their ability to go back to school, buy a house, or have children was hampered due to their loan balances. Megan said,

> [I feel] bitter. Especially as, like, I continued school, you know, to graduate programs and, like, the subsidized loans. Like, they don't continue to subsidize interest rates when you go to grad school, and I feel like they should. And the fact that the government charges grad students like a 6% interest rate on their loans when they don't even charge themselves, like 1% government loans, is just— It feels like robbery.

Lauren stated,

> I would never be able to buy a house [with my student loan balance]. I could afford one, yes, but with my debt-to-income ratio, I would never be approved for a very large or even just a moderate-sized house. So my husband didn't have student loans, and our house is

> all in his name. And, you know, I was fortunate to have the privilege to be able to do that in my marriage. You know, I helped pay for it, we pay the same amount, but all the loans are in his name. Because otherwise, I never would have been able to buy a house.

However, the participants were grateful for student loans, which they viewed as the only way they could have achieved their goal of going to college. Josh expressed, “I knew that if I wanted an education, that [a student loan] was kind of my only way to fund it.” Mike stated, “In fact, I’d say that that paying for school was not gonna be possible without those things [scholarships, grants, or loans]. I did know that for sure.”

All the participants also expressed the common sentiment of wishing that they would have handled the business of student loans better. Mike explained,

> I wish I would have exhausted all other options or been a little more persistent about asking questions. Knowing what I know now, I would have been a little more insistent about having a better understanding of my options and rights and other things, [to see if] I had other avenues I could have explored. I wish any type of loan counselor would treat [loans] as kind of like a last resort and make you aware of what all the other alternatives are.

John recalled, “I guess if I had known about student loans a little bit more, I probably would have saved more money in college so that I would be able to better pay on the loans now.” Similarly, Hannah expressed,

> I wish I would have taken a lot more summer classes at community colleges. I wish I would have buckled down and been a lot more serious about and maybe tried to get out of [school] quicker. [What] I really have realized [is] how much every course was broken down to the dollar. [I was] told college is expensive, but once [I actually] found out later

> on in college, I really did not know how expensive it was. I definitely wish I would have been a lot more on top of my studies, for sure, and been more informed about the majors and which route I wanted to take because I switched majors one time, and so that's a bunch of credits lost. So yeah, I guess I wish I would have just had my shit together a little bit more.

Having completed their degrees, the participants noted in hindsight how they could have done things better.

The literature has shown how broadening the student debt conversation could be a means of finding student debt solutions (Johnson et al., 2016). The goal of this study was to seek further input from students who had experienced the student loan process. The following are additional facets the participants believed should be part of the student debt conversation. Lauren said,

> It's not okay for a 17-year-old to be handed a check of however much money. I mean, it's 100% taking advantage. It's the same with credit cards. They mail you [a] credit card when you're 17 or 18 years old, and you don't always really know what that is. So, you know, I was probably more mature than most 17-year-olds, and I was really big on researching and comparing things. But even that moment, like, it's too easy, I guess the best way to say how I feel [is] that it's too easy for people who aren't allowed to vote, who aren't allowed to drink, [and] who aren't even allowed to buy tobacco in my state to be able to easily access money like that.

Mary recalled,

> I guess it always amazes me how I was in graduate school for 7 years. And the cost of everything just almost exponentially increased. And yet, I was receiving the same education in my seventh year that I was in my first: same faculties, same classrooms,

> same library, same everything. And yet, the cost of it just skyrocketed. And, you know, you're in it. I mean, [I couldn't] say, "This has become too expensive for me."

Megan explained,

> The [government] doesn't continue to subsidize interest rates when you go to grad[uate] school, and I feel like they should. And the fact that the government charges grad students like a 6% interest rate on their loans when they don't even charge themselves, like 1% [for] government loans. It feels like robbery. And they're just taking advantage of grad students because we can't get any other traditional financial aid, and scholarships are harder to come by. Yet we're in programs where we're expected generally to not have other jobs and devote ourselves to our research and teaching and all that stuff.

Mike discussed the type of loans he had taken out:

> I didn't do private loans. I did all federal loans. But what I think gets lost in that discussion is just how kind of treacherous and uncertain the servicing industry really is for loan services. And, when you're taking a loan out, you look at it as well. This is the government. They're not here to make a profit, so I'm not at risk of someone putting profit before my interest or well-being. But there's not a big discussion about the fact that, yes, this is government money, but it's being serviced by private industries, and they are there to make a profit. And that [concept] is completely lost and is not really discussed in any detail. And [for] most of education, yes, you are still at the mercy of profiteers, whether you take private or public-backed loans.

Summary

This chapter presented the findings from interviews with 10 graduates of Aspen University, Ithica University, or Alora University between 2014 and 2020 with student debt balances above $32,731.The research questions were answered, and four themes emerged from the findings: influence in going to college, influences in school choice, attitudes of college education, and student loan knowledge. Chapter 5 presents a discussion of the findings, recommendations for further research, and conclusions.

CHAPTER 5: DISCUSSION

The purpose of this qualitative phenomenological study was to explore the perceptions of higher education graduates. A need existed to explore students' perceptions and decision-making processes of taking student loans (Diamond et al., 2012). The specific problem was that the implications of student loans for borrowers' current and future lives remained unknown. Understanding students' borrowing practices and attitudes toward student loan debt showed the impact of student debt on borrowers' quality of life in the present and the future. The study addressed the general problem discussed in Chapter 1: Individuals amass student loans despite the perceived unfavorable outcomes associated with debt.

Chapter 5 presents the study's findings related to the literature on student debt and the information that students, parents, financial educators, and high school counselors could find valuable. The chapter concludes with an overview of the study's limitations, recommendations for further research, and a summary.

Discussion of the Findings Through the Lens of the Theoretical Framework

The study's guiding frameworks were human capital theory and rational choice theory. Human capital theory provided a lens to view the graduates' perceptions of the value of student loans as an investment in themselves with a return of enhanced human capital. Rational choice theory was the foundation to explore what the graduates perceived as influences in their decision to take loans to pay for college.

Human Capital and Rational Choice

According to Becker and Becker (2009), education and training are two of the most critical investments in human capital. The findings in this study showed that the graduates with above-average student loan balances were inclined to invest in themselves, and the investment required using student loans. Constance stated,

> My feelings about taking out the loans were it’s an investment in my education. And so, you know, it gets it. It was expensive, like, I didn’t realize how much it was until later ’til it all came in because I took a different amount each year. But going into it, it was like an investment of my education and what I wanted to do in life.

Lauren explained,

> [Taking out student loans] is one of those things. I tell people, like, I’m just being completely honest, I would rather have student debt than have not gone to college. The experiences that I had, the people that I met. Just, I mean, there’s no price tag on that. I mean, I, yeah, it’s been— I can't imagine where my life would be had I not gone to college.

This study found that all participants viewed the loan tool as a positive investment in their future and aided in their long-term success.

According to rational choice theory, every action is rational by nature. Rational choice theory suggests that individuals must adequately determine their decisions’ costs and benefits before making choices (Scott, 2000). Based on the options available, individuals make the choice that gets them closest to their desired goal and provides the most significant personal reward. The participants in this study considered using student loans to access higher education and invest in the future to be a rational choice. The participants believed that higher education provides invaluable dividends and is a worthy investment. In turn, when they reached a point where the options to continue in higher education was to take out a student loan or discontinue, they chose to take out the loan. Lauren explained, “I am okay with my student debt because I knew that I would not be able to go to college if I didn’t have a loan.” Josh stated,

> I mean, I didn’t put a whole lot of thought into [taking out a student loan] at the time. Um, it was kind of, you know, it was kind of a thing where I knew I wanted to get the degree, and I knew that getting the degree would eventually pay for itself in that, you know, you get a higher salary, starting out in education with a master’s instead of just a bachelor’s, so it’s kind of a necessary evil, I guess, in order to get the degree.

Another participant, Imani, said she decided to go to college because it was necessary for her career choice. She believed the institution she selected would affect her earnings after graduation. However, in recalling deciding she needed to borrow money to persist, she stated, “[I felt] devastated and depressed. And then kind of, I guess like, [this is a] last option or last resort.” Ultimately, she opted to take out the loan and persist in her studies, as this choice got her closer to her goal of becoming an architect.

Other participants shared similar narratives, relating their personal journeys from start to finish. From the time they decided that human capital was an investment for themselves, they were willing to make up until the point they had to choose to take out a loan to persist toward their goals. The participants expressed primarily positive feelings about the human capital investment. However, all indicated the need for more education about using loans.

Fit of the Findings With Existing Literature

Data analysis of how graduates perceived the influences in their decisions to use loans to pay for college and the value of using the loans as an investment tool for a college education to enhance human capital indicated four themes: influences in going to college, influences in school choice, attitudes of college education, and student loan knowledge. The following section presents the study's themes and a comparison of the themes to the literature.

Connection to the Literature

Connection to Theme 1: Influence on Going to College. Similar to Christie and Munro (2003), this study found that the graduates had several influences in their choices of if and where to attend college. All the participants contributed to this theme by sharing their perspectives of which connections influenced their decisions. Each participant provided data on the surrounding factors that the graduates considered when making such vital decisions. The first theme, influences on going to college, emerged from their responses.

According to the literature, students benefit when they can draw on the experiences of those around them. Valuable connections for students include cultural and family resources that influence students' knowledge base (Christie & Munro, 2003). Students often rely on and turn to individuals in their networks for advice, and connections have a significant impact on students' decision-making (Johnson et al., 2016). Connections remain influential even when the sources of advice do not have significant backgrounds on the subject.

The participants in this study provided feedback that aligned with the literature in the following ways. They referenced parents, friends, and significant others as influences on their overall decision to attend college. Abundant support exists for the pursuit of higher education. Scholars have frequently outlined and supported the benefits of postsecondary education (Ma et al., 2016). The existing research aligned with this study's findings of the influences in deciding to go to college. All the participants considered going to college necessary based on their life experiences and the advice of their family and friends.

Connection to Theme 2: Influences on School Choice. Similar to the findings of Johnson et al. (2016), the participants considered institutional reputation a significant factor. The graduates described the schools' reputation, location, and scholarships as the three primary factors they considered when determining which school to attend. It is interesting to note that a recurring definition of institutional reputation or source for determining the reputation did not emerge, but more of an individualized perception of the institution composed of varying community factors. In this case, the participants had purely subjective views about the institutional reputation.

A consistent factor in reputation is national recognition. However, not one participant mentioned national rankings as a factor for determining an institution's "good reputation." The participants cited the attributes they used to determine an institution "good," which included those provided by their close connections' perceptions of the institution. Josh said, "The overall decision was influenced by team affiliation. My family would always talk about Aspen, Ithaca, going to one of the big state schools." The participants also considered the reputation of a university's sports program and the quality of the campus culture. Hannah related, "I think the sports, [like] college football. And I think another big draw for me was also Greek life."

Connection to Theme 3: Attitudes on College Education. According to Walsemann et al. (2015), student loans have the crucial purpose of "facilitating the acquisition of human capital in the form of education" (p. 1). The literature has shown how students and scholars believe in and support higher education's individual and societal benefits. Students have collectively expressed the belief that the purpose of U.S. higher education is to get a good job. In this study, the participants' views aligned with the literature, although they had high student debt balances.

Megan expressed this sentiment when reflecting on how she felt about borrowing money for school:

> I remember thinking like, well, that [borrowing money for school] wouldn't be a problem for me because, you know, like, it's only, you know, $10,000 or, you know, here $10,000, there something like that. Cars cost more than that, and they get paid off in, you know, 5 years. And with the college degree, you know, at least I'll be making more money.

Connection to Theme 4: Student Loan Knowledge. According to Johnson et al. (2016), most students do not know much about their loans and could benefit from receiving more information on financial matters early in their educational careers. Generally, students lack a clear understanding of the details of their loans, showing an overall lack of knowledge about the process. In this study, the participants' contributions to the student loan knowledge theme aligned with the existing literature. Eight of 10 participants reported lacking the financial knowledge needed before taking their student loans. They discussed inconsistent entrance processes, counseling, and guidance. Overall, these findings suggest the substantial need to better educate individuals taking loans for college. These findings aligned with Zhang and Kim's (2018) indication of the importance of parents' and students' actions to avoid accumulating unnecessary debt. Students could benefit from learning more about credit, savings, and budgeting.

This study provided a glimpse of students intentionally learning about these topics. Constance rated her financial knowledge as "probably like a seven because I took a personal finances class in high school. I discussed financial things with my parents, so I had an idea of, I guess, how to plan financially." According to the participant, the finances class was a requirement for graduation in her state.

Implications for Policy, Practice, and Future Research

Ultimately, this study contributed to the literature on graduates' perceptions of student debt and provided insight into the influence of their perceptions on their decisions. This study's findings provided insight into the barriers high student debt borrowers face on their journeys to educational success, especially those planning for and completing college. The participants believed in the benefits of higher education and that it provided more options for them in the future. Viewing college as a positive next step is a testament to the views within the participants' communities. Parents, teachers, financial educators, and counselors ultimately passed down the beliefs; however, collectively, there is a need to do more.

Students

Students should learn from others' experiences. The participants' perceptions contributed to the knowledge of student borrowers, specifically those with high debt balances. Exploring the significance of connections for school choice and the impact of debt enabled the participants to reflect on what they wished they had known before pursuing higher education, including the many factors in their college decisions. The students who desire higher education should be motivated to pursue their goals and dreams. The findings in this study suggest that such a pursuit should include a plan with an outline of college costs.

Parents

Parents who are strong advocates for higher education should advocate just as strongly for a better understanding of funding higher education aside from student loans. Parents should initiate conversations to enhance financial literacy. Parents could also partner with students' high school staff members to shape their children's experiences preparing for college.

High School Educators

In conjunction with discussing various colleges and careers and attending career fairs, high school educators should advocate for financial representatives to talk with students about budgeting and planning for college costs. High school educators should create spaces to discuss the financial commitment of obtaining a college degree, including the costs of books, room and board, tuition fees, and lab equipment. It would also be beneficial to provide these options outside of traditional business hours to allow for increased participation. Most importantly, high school educators or counselors should show students ways of financing college without loans, and if students must borrow, how to do so responsibly. High school educators should suggest that students only borrow what they need and work in school if possible, to cut down on the loans required. Additionally, educators should provide examples of payment amounts after graduation compared to average salaries.

Financial Educators

The purpose of this study was to gain an understanding of graduates' perceptions of student debt and the influence of their perceptions on their decisions. In turn, the findings could contribute to future financial literacy curricula. The participants in this study discussed the factors in their decisions to use student loans. The study's findings showed the direct influence of the graduates' perception that they could not go to college without taking loans. Markle (2019) called for research to improve students' financial literacy for students, which this study did by providing the participants' perspectives. Financial educators can serve as a driving force for students' financial literacy that includes alternative funding options.

The participants in this study used the knowledge they had to make the best decisions for their situation. They had access to literacy on the option to take out student loans to fund their educational dreams. Still, not one participant could recall having much information on alternative ways to fund higher education. This finding suggests that although abundant and readily available literature exists, financial educators should clarify the loan literacy documents circulating to the individuals desiring higher education.

Financial Aid Staff

In this study, 90% (n = 9) of the participants could not recall completing financial counseling or speaking with someone before getting their loans. Most of the participants noted that the financial counseling that they received did not provide them with adequate preparation for taking out student loans. In turn, they did not understand the responsibilities of borrowing and, in many cases, pertinent details such as interest rates and possible payments.

Like the participants in this study, recent graduates have collectively called for help from financial aid. The participants in this study had graduated from various institutions but gave similar responses. They all reported inadequate preparation for and knowledge of student loans. Financial aid educators should conduct evaluations of their institution’s entrance counseling process, as the participants’ responses indicate a significant area of need for students.

Policymakers

Like credit card reform, there is a need for student loan reform. The call for credit card reform, another form of consumer debt, occurred due to rising balances at the expense of vulnerable populations. Credit card reform advocates deemed then-current credit card policies unclear and believed that educating consumers was a means of empowering them to make informed decisions in their best interest. Lenders win by default when they provide loans to uninformed consumers, as borrowers do not understand the rules well enough to engage with a strategy.

Similarly, the increasing student debt burden has begun spilling over into various sectors of borrowers' lives and the economy. The vulnerable populations affected by student loans include the young, elderly, and other demographic groups. This study's participants made one thing clear: they wished that they had known more about their loans before taking them to pay for college. Essentially, the participants wished for enhanced disclosure.

Consumers need vital information about payment amounts, interest rates, and default consequences to make informed decisions. However, not one participant in this study could recall receiving many of these details. Similar to pre-reform credit card operations, the rules for taking out student loans remain unclear. Student loan advocates, policymakers, and lawmakers must strive for the needed reform. This study indicates the need to clarify the rules of student loan operations.

There is a need to reflect on the review of credit card debt and reform mentioned in the literature review of this study. Similar to student loans, rising credit card balances became a crisis. Lawmakers and advocates stepped in to halt what they perceived as an injustice because the credit card providers were taking advantage of vulnerable people and populations. In short, credit cards had complicated rules but a far too easy signup process. In turn, the young people, elderly individuals, and individuals with mental disabilities who lacked the financial means or the mental capacity needed to address the long-term implications of credit cards bore the consequences. The solution was a call for increased exposure and a requirement to make the terms plainer. Credit card reform was a call to educate consumers on credit cards to make educated choices for their situations. Several parallels exist between student loans and credit cards.

Vulnerable Populations. The Credit Card Act defined vulnerable populations as young adults (18–24), the elderly, and individuals with mental disabilities as vulnerable populations (Luck, 2011; Schorer, 2010). Student loan borrowers fall into the first group and are first-time borrowers entering college. The participants in this study consistently expressed how easy they found obtaining student loans. Ethnicity, gender, having dependents, coming from a low-income family, or being a first-generation college student are also notable predictors of default (Baker et al., 2017).

The Rules Are Complicated. Similar to pre-reform credit cards, student loans lack transparent interest rates, loan terms, payment amounts, and specifics. As noted in the findings, not one participant stated they had an idea of their future payment amounts. In essence, they entered into their loan agreements without all the information needed to determine if they could handle student loans in the long term.

Reform. Student loan reform is long overdue**.** The participants in this study still found borrowing worth it despite their debt balances; however, they indicated a lack of clarity during and after the loan process. Like credit cards, many student loan borrowers do not understand the borrowing terms, rates, or payments. Fifty percent of the participants stated that they did not know what would have happened to their loans if they had decided not to complete college. Credit card reform occurred partially due to lawmakers' belief that consumers must have information or disclosure to make more informed decisions.

Limitations of the Research

The study's limitations are that all the participants came from three institutions in the Southeast United States. The study did not provide for anonymity due to the design. Some invitees may have chosen not to participate in the study because discussing student debt could be emotionally taxing on some borrowers. Second, the study participants identified as either Black or White, thus making for a nonethnically diverse population. Third, the study's inclusion criteria were a limitation, focusing on graduates from only three nationally recognized institutions in the Southeastern United States. Including student loan borrowers from other nationally recognized institutions could have provided a broader perspective. There is a need to build on this study by considering the aforementioned limitations and the following recommendations for further research.

Recommendations for Future Research

Researchers could apply this study's inclusion criteria and open participation to borrowers from nationally recognized universities across the United States. Expanding the study could provide more participants with large student debt to voice their perspectives and contribute to the literature. Another suggestion is to conduct this study with high-debt Black borrowers to further understand their experiences and the areas of need specific to Black students. The final suggestion is to interview only first-generation students to understand which resources they lacked in pursuing higher education and what they wish they had known before taking out student loans.

Answered Research Questions

The study's guiding research questions were:

1. How do graduates from 4-year higher education institutions perceive the various influences on their decision to use loans to pay for their college education?
2. How do graduates perceive the value of using loans as an investment tool for a college education to enhance their human capital?

The primary research question was, “How do graduates perceive the various influences on their decision to use loans to pay for their college education?” This study found that the graduates could not envision funding their higher education pursuits without student loans. They saw higher education as a good investment, and their connections supported this belief. However, they reached a point where they had to figure out how to fund the investment. They determined that using the tool of a student loan was the most rational choice.

This study’s second research question was, “How do graduates perceive the value of using loans as an investment tool for a college education to enhance their human capital?” The findings showed that graduates perceived student loans as a valuable tool for accessing higher education to enhance their human capital. Some of the participants explicitly stated that they could not have gone to college without taking out loans. According to Markle (2019), education is still one of the most efficient vehicles of social mobility in the United States. Another prevalent view is that student loans are vital for accessing higher education. This study showed that the participants confirmed these views. Mike said,

> [Taking out loans was] not something [that] I wanted to do. But I looked at it as a sacrifice in order to obtain an education and that in the end, it would, in theory, all take care of itself. If I’m taking a loan out now, if getting degrees puts me in a better position financially in the future, then that should, in theory, kind of cancel itself out [and] pay for itself.

This study's data contributed to the literature by providing the perspectives of recent graduates of nationally recognized universities with above-average student debt. In addition, this study provided the participants' thoughts on the factors that should be part of the student debt conversation and what they wished they had known before taking out student loans. While each story might not be an immense contribution, the collectively shared perspectives contributed to the conversation about student debt and solutions.

This study's findings aligned with many aspects of the extant literature. The participants' views in this study contributed to the existing literature and showed possible areas of opportunity. The findings provided more nuance to the existing data by presenting the perspectives of recent graduates (2014–2020) of nationally recognized universities with above-average student loan debts of at least $32,731.

The findings showed that connections influence students' desire and decision to pursue higher education. The study also suggested that connections rival costs when students engage in decision-making for which institution to attend. Last, the findings indicated that scholarships, institutional reputation, and location influence school choice.

Conclusion

The participants' perspectives in this study were the means used to answer the study's guiding research questions. This study contributed to the literature by providing the perceptions of recent higher education graduates of nationally recognized universities with above-average student debt. The participants outlined what they deemed necessary when deciding to pursue higher education. Their perspectives provided additional clarity of student loan borrowing practices. Each participant aided in shaping the implication and recommendations that resulted from this study. Implementing these suggestions could help future scholars prepare for and pursue higher education strategically.

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Appendix A: Social Media Recruitment Letter

Are you a graduate of Alora University, Aspen University, or Ithica University?

Do you have an above-average amount of student loan debt (above $37,172)?

If the answer is "yes," please consider participating in this study on the perceptions of adult higher education graduates on their student loan borrowing practices and attitudes toward student loan debt.

The study includes one 90-minute interview with Mya and a follow-up email to confirm the clarity and accuracy of all the information.

You are eligible to participate if you:

- Graduated from Aspen, Ithica, or Alora University (pseudonyms) between 2010 and 2019
- Graduated with a student loan balance above $37,172
- Are 18 years of age or older

If you would like to participate, please contact Mya via email with your name and contact number with the subject line Research Study. If you have any questions, you are welcome to call Mya at XXXXXXXX.

Appendix B: Adult Consent to Participate in Research

Principal Investigator: Mya Fields

Faculty Sponsor: Andrea Kayne, JD

Institution: DePaul University, Chicago, Illinois

University College: College of Education

What is the purpose of this research?

I am requesting your participation in this study because I want to gain an understanding of higher education graduates' perceptions of their student loan borrowing practices and attitudes toward student loan debt. Additionally, the study will focus on if relationships have an influence on a student's choice to attend a particular institution and the impact of student debt on students' present and future lives.

Please answer a few brief questions to determine your eligibility via the inclusion criteria. If you fit the inclusion criteria and agree to be contacted, you agree to let me contact you to schedule a virtual, recorded 90-minute interview and a follow-up email to make sure that I understood the meaning of your interview feedback. The follow-up clarification will last about 30 minutes.

Mya Fields is conducting this study as a requirement to obtain her doctoral degree. Her faculty advisor, Andrea Kayne, JD, her faculty advisor, is supervising this research.

I hope to include up to 30 people in the research.

Why are you being asked to be in the research?

I am inviting you to participate because you are a recent graduate (2010–2019) of the selected institutions with above-average student loan debt.

You must be 18 years of age or older to participate. This study is not approved for the enrollment of people under the age of 18.

What is involved in being in the research study?

If you agree to participate, you will complete a brief 5-minute phone survey. The survey will include personal questions about your age, if you are a college graduate of one of the chosen institutions, and if you have above-average student loan debt.

If you meet the screening criteria, you will participate in a 90-minute interview with the potential for email contact to clarify your responses. This process of clarification, known as member checking, will last about 30 minutes. The purpose of the interview questions is to gain insight into the student debt crisis and a deeper understanding of students' perceptions of the various influences in their decision to use loans to pay for college and their perceptions of the value of using loans as an investment tool for a college education. The interviews will include several planned questions. However, there will be some unplanned questions based on your responses.

I will audio-record and transcribe the interview into written notes to obtain an accurate recording of your responses. You can choose to decline getting recorded and may stop the interview at any time. I will share the written notes with you upon request, and you will have the opportunity to verify them for accuracy if you desire. You may also remove any portions of the written notes that you do not want to include in the study.

How much time will this take?

This prescreening survey will last about 5 minutes.

Your participation will take up to 2 hours of your time if you qualify for the main study. Your participation will consist of one interview that will last up to 90 minutes and an additional email for member checking that will last about 30 minutes. During the member checking process, I will ask you questions to make sure that I understood what you meant and the accuracy of my notes.

Are there any risks involved in participating in this study?

Participating in this study does not have any risks other than what you would encounter in daily life. You may feel uncomfortable answering certain questions. You do not have to answer any questions if you do not want to. There is also a small possibility of a breach of confidentiality. Please know that I will keep your identity and the identities of anyone you mention confidential with the use of alternate names. I will keep the video recording of the interview in a secured drive on Box.com until transcription; afterward, I will delete the recording. I will delete all video files within 1 year of initial contact with you. If there is a breach of confidentiality is breached, I will inform you, my faculty sponsor, and the DePaul IRB within 24 hours.

Are there any benefits to participating in this study?

There are no direct benefits to participating in the interview. However, your participation could result in improved experiences for future borrowers pursuing higher education.

Is there any kind of payment, reimbursement, or credit for being in this study?

You will not receive payment or reimbursement for participating in the study.

Can you decide not to participate?

Your participation is voluntary, which means you can choose not to participate. There will be no negative consequences or penalties if you decide not to participate or change your mind and withdraw from the research after you begin participating.

Who will see my study information, and how will the confidentiality of the information collected for the research be protected?

I will store the information that you provide in a secure digital file folder.

I will destroy identifiable data (e.g., your name and contact information) by deleting them 1 year after the completion of the study. If you fill out the prescreening survey but do not participate in the main study, I will delete your data at the time of your withdrawal and will not use them in the study.

The interview transcripts will include an anonymous identifier (i.e., replacing names mentioned with random names of the same gender) for both you and anyone you discuss. The pseudonym (replaced name) that you will receive will be the name used on your data materials instead of your actual name.

I will make every effort to prevent anyone not involved with the research from knowing about your participation. However, some people might review or copy records with identifying information to ensure compliance with the required rules, laws, and regulations. For example, the members of the DePaul University Institutional Review Board may review your information. If they look at the records, they will keep your information confidential.

Some circumstances may require showing your information to other people. For example, the law may require showing your information to a court or authorities if you report information about child abuse or neglect or if you pose a danger to yourself or someone else.

I will remove direct identifiers, such as name or record number, from your information and replace it with a random code that cannot be linked back to you; this is a process known as deidentifying your information. I will not use the information collected for this study for any future research or share your information with other researchers.

Who should be contacted for more information about the research?

Before you decide whether to accept this invitation to participate, please ask any questions now. Later, if you have questions, suggestions, concerns, or complaints about the study, want additional information, or want to provide input about this research, you can contact the researcher, Mya Fields, at Lfields2@depaul.edu or 706-464-3958.

The members of the DePaul Institutional Review Board (IRB) have reviewed and approved this research. If you have questions about your rights as a research subject, you may contact Susan Loess-Perez, DePaul University's Director of Research Compliance, in the Office of Research Services at 312-362-7593 or via email at sloesspe@depaul.edu). You may also contact DePaul's Office of Research Services if:

- The members of the research team do not answer your questions, concerns, or complaints.
- You cannot reach the research team.
- You want to talk to someone besides the research team.

Statement of Consent from the Subject

Do you wish to participate?

Record Participant response: Yes No

Date: ________________________________ Time: __________________

Do you agree to allow me to audio-record your interviews?

Record Participant response: Yes No

Date: ______________________________Time:___________________

May I contact you after the interview for member checking? Yes No

Please provide preferred email address: ______________________

Appendix C: Thank You Letter to Participants

Dear Participant,

Thank you for taking the time to meet and share your experiences. I truly value and appreciate your feedback. If you have questions, suggestions, concerns, or complaints about the study, desire additional information, or want to provide input about this research, you can contact the researcher, Mya Fields, at xxxxxxxx or xxxxxxxx. You can also contact my faculty advisor, Dr. Andrea Kayne, at xxxxxxxxxxx.

The members of the DePaul Institutional Review Board (IRB) have reviewed and approved this study. If you have questions about your rights as a research subject, you may contact Susan Loess-Perez, DePaul University's Director of Research Compliance, in the Office of Research Services at 312-362-7593 or via email at sloesspe@depaul.edu.

You may also contact DePaul's Office of Research Services if:

- The members of the research team do not answer your questions, concerns, or complaints.
- You cannot reach the research team.
- You want to talk to someone besides the research team.

Best,

Mya Fields

Appendix D: Interview Protocol

Opening: Thank you for taking the time to complete an interview with me. The data collected from this interview will help me understand the experiences of recent graduates with high student debt balances. This information will contribute to research that attempts to fill gaps in current scholarly literature related to the experiences of student borrowers with high levels of student debt. Please be as descriptive as possible when responding to questions so I may fully understand what the experience was like for you. You can choose not to answer any question or stop the interview at any time without penalty.

"Do you consent to be audio-recorded?" (If yes) Recording starts now.

This conversation is being audio recorded for research purposes. After the interview, the recorded conversation will be transcribed verbatim. Please let me know now if you do not agree to be recorded. Please remember, you may ask the recording to be stopped at any time. Please know that your identity and the identities of anyone you may mention will be kept confidential with the use of alternate names.

There is a very small chance that your confidentiality will be breached. If this happens, I will inform you, my faculty sponsor, and the DePaul IRB within 24 hours.

Are there any questions I can answer about this study or process before we begin?

1. What is your age?
2. What is your sex?
    - Female
    - Male
3. With which racial or ethnic category do you identify?

- African American
- Asian/Pacific Islander
- Caucasian
- Latino
- Other:

****

1. As you can best recall, at what point in your life did you decide to attend a college or university? Do you recall the factors or information with an influence on your decision?
2. As you can best recall, how would you describe your experience of planning for college?
3. As you can best recall, how did you decide which school to attend out of the ones to which you received admission?
4. As you can best recall, what were the three primary factors in your decision to attend the particular school?
5. As you can best recall, which school expenses (e.g., tuition, housing, books, travel) did you accurately anticipate, and which expenses, if any, were a surprise after you started school?
6. As you can best recall, when you reflect back to your senior year in high school as you were preparing for your first year at college, what were your thoughts (if any) about paying for school? What was your plan (if any) to pay for school?

7. As you can best recall, what were your thoughts and feelings when you decided that you needed to borrow money to pay for school if you did?
8. As you can best recall, how comfortable did you feel with the loan process? Please explain your thoughts and feelings about the process?
9. As you can best recall, how would you rate your financial management/planning knowledge before taking out student loans on a scale of 1 to 10, with 1 = *I knew nothing at all* to 10 = *I considered myself an expert in financial management*?
10. As you can best recall, how did you decide about the amount and type of the loan you wanted for college?
11. As you can best recall, have you ever entertained thoughts that you might not complete college? Do you know what would have happened to your student loan if you had decided not to complete college?
12. What connection, if any, does your financial management during school have with your student loan?
13. As you can best recall, did the college counseling that you received (if any) before taking out your student loan adequately prepare you to manage your loans after graduation?
14. As you can best you can recall, at the time you were planning for college, how did you feel about your preparation for the financial decision to take out a student loan?
15. How would you describe your thoughts and feelings now that you have had a loan for a while?
16. Is there anything else you want to tell me about your loan, loan process, or anything else we discussed?

17. If you have been following the upcoming presidential debates and conversations, what are your thoughts on the discussions of student loans?