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From the editorial board

Welcome to the first edition of *Shoptalk Online: SEM Special Edition*. This special edition of *Shoptalk Online* is devoted specifically to matters of Strategic Enrollment Management (SEM). Please share this with friends and colleagues who might be interested in our material. Also, feel free to share feedback with us.

This issue is devoted primarily to student retention, but with an eye to policy. Leading off this issue, and future issues, is an article based on current research. Today, we have *Seven guiding questions for student retention*, by Dr. Watson Scott Swail, president of the Educational Policy Institute in Washington, D.C. Dr. Swail is a well-regarded researcher and policy analyst with whom we at TG have been pleased to partner on several occasions. We are especially pleased to have him to

lead off our inaugural issue. Among his many contributions to SEM, Dr. Swail recently published a book, *Retaining Minority Students in Higher Education*, with Kenneth Redd and Laura Perna.

Next in this *SEM Special Edition* is a practical and enlightening piece by Dr. Brad Johnson, former director of enrollment management at Amarillo College. He has shared a model of practice that was helpful to the college. If resources are limited, and whose aren't, how can we serve our nontraditional students, who may never set foot on campus, as well as our traditional, on-campus population? Dr. Johnson has an answer that enabled a college to improve its services for both student groups, using the same mechanism.

Two review essays will round out the features for the issue. The first is a review of a recently published study on the important policy questions raised by the dwindling public support for colleges and universities. *Correcting course: How we can restore the ideal of public higher education in a market-driven era* was written by Lara Couturier and Jamie Scurry of The Futures Project, and reviewed by Maria Luna-Torres, TG director for educational finance initiatives. The second is a review essay of six journal articles on credit card use and abuse by college students. There has been a lot of publicity over the last few years about students getting into trouble with credit cards, and these studies provide important, insightful information on how help retain students in spite of rampant credit card marketing. The reviewer is Matt Short, TG's director of institutional enrollment services.

The issue is rounded out by two departments — the *Legislative Update* is provided by George Torres, TG assistant vice president for congressional and legislative affairs, and our Events Calendar provided by the editors.

We hope you enjoy this inaugural issue of *Shoptalk Online: SEM Special Edition*, and we look forward to your feedback. Please forward comments and questions to communications@tgsic.org.

Feature

Seven guiding questions for student retention

Watson Scott Swail, Ed.D.

Keeping students in school seems harder than it should be. Today's students appear to be less prepared, have more emotional baggage, and have a different set of expectations than prior cohorts. It's arguable whether any or all of this is true, but for the average campus professional, it seems to ring true.

Keeping students in school is an important daily task on our campuses. Losing students, from a business standpoint, is just bad business. Every student "lost" represents a financial loss for institutions. Institutions miss out on tuition and fees from that student, income from books and services, housing, and other revenue streams. In the long term, institutions, especially 4-year undergraduate institutions,

miss out on revenue from alumni contributions, which account for billions of dollars a year nationally.

Of course, losses due to student attrition aren't just realized on the institutional side. Students lose too. Students who drop out of the educational pipeline lose their initial fiscal investment, and those who leave before completion of their program are more likely to hold a significant student loan debt load and are less likely to be able to repay those loans. Thus, they are prone to loan default. But perhaps the most important thing students lose is time. Students who leave school often lose valuable "life" time — time spent where little is gained. We understand that education has an opportunity cost to it, but we often forget that the cost is only repaid by those who complete their studies, not those who drop out.

Thus, there is significant motivation for institutions and students to stay the course. Unfortunately, only half of freshman students who initiate their studies at a 4-year institution leave with a bachelor's degree in hand. The percentage at 2-year institutions is far less. Not exactly uplifting, but that's what we have to deal with.

Considerations for corrective action

The path to increasing student retention on campus is long and hard. To help you get your mind around the task ahead of you, here are seven questions that you need to consider.

1. Do you understand the nature of the problem?

This isn't as dumb as it sounds. The retention and persistence of students is a very complex issue. Simply knowing your cohort graduation rate isn't good enough. You need to get at the heart of the problem through careful analysis of your entire student population. Work with your institutional research department to disaggregate the retention and persistence data of various populations on campus, minority students, Pell-eligible students, students from certain geographic areas, resident vs. commuter students, etc. And remember that it isn't only about persistence-to-degree rates. What do you know about the transfer process at your institution? Why are students transferring, and to which institutions are they transferring?

2. Do you know why your students leave?

Ultimately, you need to know why students leave. There's an entire body of literature about this topic (see below), but ultimately, you need to know why your students leave, not students in an "average" institution in an "average" state. Exit interviews are your friend. (Say it over and over again, and you'll start to believe it. Really.) These are extraordinarily important opportunities to capture information on why your students leave, and what role your institution plays in the departure process. Once you've collected and analyzed this information, then can you start asking questions about how you may better serve your students.

3. Do you know what your institution is already doing to ameliorate these issues?

Once you've identified the problem areas with regard to student retention, it is then necessary to audit or assess current strategies on campus designed to ameliorate, or lessen, the dropout and stopout rates of students. Put it this way — if you don't know what's going on, how do you possibly know what to do? Take an opportunity to do a careful accounting of what the various departments on your campus are doing to support students. As you may imagine, this is extraordinarily difficult to do on a large campus (15,000+ student), but that doesn't undercut the importance of this step. Hey, no one said this would be easy.

4. Do you know how effective these programs or strategies are?

Step one is identifying the program and strategies. Step two is evaluating their effectiveness, which can be truly difficult and complex work. And for those who are really savvy, determining their cost effectiveness goes one step further. One strategy may be effective, but you must determine whether the benefit or impact outweighs the cost. In a constrained budget, this is an important issue.

5. Do you know what programs and strategies may be worth considering?

Put another way, have you done your research? Whether you are a key cog in the retention machinery or you are part of a campus team, information is your accomplice in changing campus mindsets and practices. Read some articles, check out a few books, and talk to your colleagues. These are some of the ways you can become more knowledgeable about student retention. Start by checking out the reading list at the end of this article and visit the Web site www.educationalpolicy.org.

6. Do you have evidence that significant support exists on campus to do something about this issue?

The one thing I've learned over the years is that institutional change only happens when faculty and leadership are supportive of the change. Both camps must realize that retention is an important issue, regardless of whether policymakers mandate performance measures. Faculty members are the closest to students, so they automatically become the key component of a retention program. Any change that takes place at the classroom level must involve faculty. At the other end, leadership must provide solid, unwavering support for the retention program and provide an air of trust and cooperation. When either side falls down, so do retention initiatives.

7. Do you understand the institutional change process?

Building on the previous item, understanding how change occurs on campus is as important as understanding what you want to change. Leadership and faculty are the agents of change, but you and your colleagues must understand what is

involved in changing eons of practice. Let's face it, higher education isn't exactly known for its flexibility. Look at Peter Senge's work, or the work of other authors, or bring in a consultant to help with the process. But know your change management. It's a make-or-break deal.

If you can answer each of these questions, you're well on the road to success. If not, at least we've set your GPS for success. As I joked in one of the questions, no one said this would be easy. And it's not. Serving students is hard work, but serving them well is harder. But for those of you who work on business terms, students are our clients, and we owe it to them to provide them with the best opportunity for success. We can't guarantee perfection for every student, nor can we promise success. But we can do what is in our control to maximize their opportunities on our campuses. We're not counting sheep.

I hope you find this brief discussion useful. In anticipation of your continued focus on retention issues, I've suggested some reading below. These are excellent resources to learn more about why students leave, and what students need.

About the author

Dr. Watson Scott Swail is president of the Educational Policy Institute, an international think tank on educational opportunity with offices in Washington, DC and Toronto, ON. Dr. Swail is a nationally-recognized expert on student retention and is a consultant to TG. You can learn more from Dr. Swail's Web site at www.educationalpolicy.org.

Suggested reading

Astin, Alexander W. (1997). *What Matters in College: Four Critical Years Revisited*. San Francisco, CA: Jossey-Bass.

Kuh, George D., Kinzie, Jillian, Schuh, John H., Whitt, Elizabeth J., and Associates (2005). *Student Success in College: Creating Conditions That Matter*. San Francisco, CA: Jossey-Bass.

Pascarella, Ernest T., and Terenzini, Patrick T. (2005). *How College Affects Students. A Third Decade of Research*. San Francisco, CA: Jossey-Bass.

Senge, Peter (1994). *The Fifth Discipline. The Art and Practice of a Learning Organization*. New York, NY: Currency Doubleday.

Swail, Watson S., and Redd, Kenneth, and Perna, Laura W. (2003). *Retaining Minority Students in Higher Education: A Framework for Success. An ASHE-ERIC Higher Education Report*. Volume 30, Number 2. San Francisco, CA: Jossey-Bass.

Tinto, Vincent. (1993). *Leaving College: Rethinking the Causes and Cures of Student Attrition* (2nd Edition). Chicago, IL: The University of Chicago Press.

In practice

Improving service to traditional students and students-at-a-distance with technology and training

Brad Johnson, Ed.D.

The institution I serve entered its accreditation self-study with confidence that its services were of the highest quality. Imagine our shock as we realized the expectation of the Southern Association of Colleges and Schools (SACS) that we, as an institution with significant online course offerings, must deliver all student services to any enrolled student, regardless of their ability to visit our campus.

Considering the challenge

Prior to that epiphany, we had posted instructions on our Web site explaining how students obtained services and considered the students served. The SACS requirement seemed unattainable. "How crazy is that?" we thought. We're supposed to deliver orientation, library, bookstore, registration, payments, and financial aid to students-at-a-distance? We could imagine what those services might be like, having utilized e-commerce services with businesses. But how would we tutor students or advise and counsel them? They need help with a variety of issues, including computer and Internet problems, troubleshooting software issues with the WebCT® platform, accessibility services, signing up for graduation or membership in honor societies, and finding student jobs (the list is long).

Evaluating existing best practices

Fortunately, we had experience with the use of a call center, instituted in 2001 to serve prospective students (Johnson and Stick 2003). The addition of the call center to provide services to prospects (not to telemarket to them) was instrumental in increasing our scholarship applications 67 percent in the first year and raising enrollment by 22 percent over the next four years. The reasons for these strong results were:

- Trained and motivated staff responding to prospects' needs,
- Dramatic improvement in quality and accuracy of information provided to prospects,
- Feedback to the college about needed improvements, and
- Catalyst for change through the centralization of information and services.

Given such positive results in the recruitment arena, it was natural the college would consider this approach in the broader student services area when the SACS challenge arose. (I should note that many at the college were already convinced a serious expansion of services to "students-at-a-distance" was needed.) We are presently implementing a student services call center with the expressed mission to

provide access to all student services regardless of the geographic location of the student or the time of day when he or she wants assistance.

Elements of success with call centers

What is necessary to make a call center work? There are likely some unique issues which depend on the circumstances of the particular school. However, the following are necessary to make any services call center successful:

1. Create absolute commitment from the top of the organization that the call center staff will have absolute authority and tools to accomplish their job.

The old paradigms must die for new ones to take hold.

2. Reject the referral-model in favor of the services-model.

In reality, everyone must understand it is the call center's job to take care of the needs of the student at the time of the call, without the requirement to refer calls to a "knowledge expert." While it takes time to accomplish this, it must be the goal and expectation from the beginning, or else we will simply create another point at which students with needs will be transferred in an endless game of "pass the buck."

3. Reject the myth that some things cannot be done without the student's presence on campus.

The telephone has been a wonderful tool for providing service for many years. With the addition of e-mail, live chat, Internet, and Web pages, we have a myriad of possibilities for meeting students' needs. The obstacles of the past are being removed.

For example, student identities can be validated in a number of widely accepted ways, such as by using identification numbers and passwords, or by verifying particular secure information, streaming video, Web portals, and content management systems, along with many other technological tools. These all provide unimagined possibilities for meeting student needs.

What is necessary for a call center to work is that key administrators should insist that good answers be identified. Then, call centers should be provided sufficient resources to enable them to constantly improve their delivery of student services.

4. Invest in high-quality supervisory staff.

While the line staff of call centers may not be compensated as highly as the faculty and professional staff who previously provided similar services, those responsible for the call center's success must have strong technology and customer service skills. They do not have to be "geeks," but they do have to understand how information is managed in a digital age.

A call center is an “intelligence center” with information flowing in and out from all across this complex organism we call a college. Supervisors in a call center must design new processes and troubleshoot existing systems when they fail – both of which are complex tasks. Additionally, they will also be required to understand the mysterious world of “academia” with its puzzling rules and government regulations.

Call center supervisors must be capable of putting in place a new center where there has not been one in the past. This task is difficult, but it is absolutely critical to the success of the call center. Find the right person, pay them well, and let them go to work!

5. Take advantage of “convergence” – the current and rapid evolution of separated technologies into seamless experiences.

The most high-profile example of this right now is the merging of the home computer, cell phone, personal data assistant (PDA), and camera into a single tool. But with a call center, we have the opportunity to bring together other tools which we already possess in rudimentary fashion. These include staff, telephones, student information system (SIS), other databases, the Internet, and the college Web site. By thinking of these separate resources as tools to merge, it is possible to imagine accomplishing the mandate we mentioned at the beginning – to provide all services to students-at-a distance.

Envisioning the results

My purpose here is not to lay out an approach to implementing a student services call center, but rather to open the mind to the exciting possibilities. To do that, let me suggest a couple of examples of how this might work.

- The distance education student

John is taking his first online class and develops some technical problems with his login. John calls the college. The call center staff member, with training and access to the SIS, can troubleshoot the problems with the student, verify the College’s system is working properly (no reported problems from IT), and eventually determine it is necessary to reset the student’s password.

While on the phone, the call center staff member can verify that the student is in the right major, update personal information including phone number, email address, and mailing address. At the end of the conversation, the staff member might request that the student answer two quick marketing-related questions about a College television ad running on local stations.

In this example, the needs of the student to get immediate access to his online class have been met, along with the needs of the college to have current, accurate information in its SIS. Also, the marketing people are getting feedback about the thousands of dollars being spent to influence the college’s image in the community.

- The traditional student (someone coming on campus to take a course)

Sarah is taking courses at a community college with the intention of transferring to the nearby university. She is trying to register for her next semester but has missed her advisor twice and now is frustrated.

Sarah contacts the call center for help and speaks to the advisor-on-duty. The advisor checks the notes from Sarah's previous visits with advisors. Although the advisor-on-duty is not a specialist in transfer issues, he is able to access a conversion table on the college's Web site that shows how his college's courses articulate at the university. He also checks a "Frequently Asked Questions" page and discovers a subtle advising issue for students transferring into Sarah's major at the university.

He passes this information on to Sarah and grants her permission to enroll. At the same time, he informs Sarah of the availability of the advising help online, and she goes to the site with him to review the pages. Now, Sarah can self-serve for much of her advising needs in the future. But if she wants, she can still call the center or visit an advisor on campus. She can get service as she wishes and when she needs it.

Considering existing service delivery online

One might ask, "Is a call center necessary when all services can be delivered through the Internet?" My answer is to ask, "What do you want from the businesses and institutions with which you interact?"

I consider myself to be a big fan of Internet services. I regularly purchase items on the Web, file my own taxes, submit rebates online for products I've purchased, and anything else I can do. But when I need something NOW and am not sure how to do it — I pick up the phone or send an e-mail message. I do not always know the right terms to find something on complex Web sites. Sometimes the Web is not working or a link is broken. Or I'm just not next to an Internet connection but I have my cell phone. My point is that I do not believe the need for services via phone or in person will ever go away. I believe we are demanding more, not just different, ways to get things done.

I hope I have sparked an interest in this model for service provision. The improvements in services to students would be immense, and the changes sparked in institutions would be profound.

Reference

Johnson, Bradley & Sheldon Stick (2003) Application of Strategic Planning to Enrollment in a Community College, *The SACRAO Journal*, vol. 16.

About the author

Dr. Brad Johnson is Dean of College Advancement for Amarillo College, where he previously served as Director of Enrollment Management. As Director of Enrollment

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Literature reviews

Article: Correcting course: How we can restore the ideals of public higher education in a market-driven era, by Lara Couturier and Jamie Scurry

(<http://www.futuresproject.org/news-publications.html>)

Maria Luna-Torres, Director, Educational Finance Initiatives, TG

Couturier and Scurry present an insightful and comprehensive account of the changes that are confronting higher education and how these changes are altering the way higher education operates. The authors state that institutions of higher education are dramatically more market-oriented today than in past years.

Competition in higher education

In the first section, Couturier and Scurry take a stand against higher education becoming competition-driven. They claim that institutions are luring the best, brightest, and most affluent students with state-of-the-art computer labs, luxurious dormitories, and new gymnasiums, at their campuses. In addition, they say that financial aid packages are being used as a competitive tool to attract students with the highest test scores and GPAs, rather than designing financial aid packages for qualified low-income students. Indeed, this is not a new observation, and it is one with which many higher education professionals would agree. Moreover, Couturier and Scurry argue that state policies have come to favor an open market, which does not necessarily lead to increased access, better instruction, lower costs, or greater efficiency in higher education.

Addressing public policy needs

As a remedy, the authors urge state lawmakers and university administrators to cooperatively find a way to ensure that state control over the mission of public colleges and universities meets the state's economic, social, and demographic needs, while also granting greater operational autonomy for institutions. This, of course, is an idea that in theory would solve many of the inequalities and inefficiencies that exist in institutions of higher education today. However, Couturier's and Scurry's recommendations will likely take time to implement and will require a true collaboration between state officials and higher education administrators.

Recommendations

The authors propose that state lawmakers be held accountable for the following:

- Defining the public and private benefits of higher education;
- Creating accountability systems that recognize institutional diversity;
- Demanding performance in access, student learning, and attainment;
- Acknowledging that higher education is not a business; and,
- Providing the funding necessary to serve both private and public interests.

On the other hand, Couturier and Scurry urge colleges and universities to agree to:

- Measure what is valued;
- Take responsibility for teaching and learning;
- Move beyond access to promoting attainment;
- Address problems of efficiency and productivity;
- Support elementary and secondary education;
- Reduce conflicts of interest;
- Provide constructive criticism of societal trends and values; and
- Rebuild political involvement to sustain democracy.

Responsibility of the public

The article concludes with a message to the public about the important role it plays in the success of higher education systems. Community members are urged to request information about the performance of their institutions, encourage state legislators and board members to demand transparent and comparable data about institutional performance, use institutions as a local and regional resource, and to participate in conversations with higher education leaders and policy makers.

Conclusions

The issues of access, inefficiency, and the emerging market-driven competition in higher education are well defined by Couturier and Scurry. The authors do offer a number of feasible recommendations for addressing these issues. *Correcting Course: How We Can Restore the Ideal of Public Higher Education in a Market-Driven Era* is an article that should certainly be of interest not only to higher education professionals, but also state lawmakers, businesses, and the general public as they all play a role in the success of realigning the mission of higher education institutions with their original mission of providing access to all those seeking the opportunity to acquire a higher education.

About the author

Maria Luna-Torres is director for educational finance initiatives at TG. She serves as staff director providing operational leadership to TG's partnership with the Council for the Management of Educational Finance. Maria can be reached at (512) 219-4632 or maria.luna-torres@tgslc.org.

Review Essay: What we know about student credit use and abuse and what we can do about it

Matt Short, Director, Institutional Enrollment Services, TG

Student debt is a justifiably hot topic on campuses and has been for several years. With the steep increase in tuition and fees at most campuses and a concomitant stagnation of levels of aid to pay for a college education, it's no surprise that debt is a concern. Debt, especially credit card debt that has to be paid while the student is in school, puts students at risk of being unable to continue their educations or to increase their number of stopouts and greatly slow their educations. For this reason, it is important for enrollment managers to know as much as possible about student debt and credit card use. Only armed with facts will we be able to help, teach, and cajole our students onto the right paths.

Of the six studies reviewed, three are based on self-reported studies of students at individual campuses. Two of the studies used data sources that did not rely on individual reports, but on account information. The final study under review was itself a review of some literature on students' debt including interviews with the authors of a several studies. All the studies cited provide some important insights into student credit card indebtedness.

Barron and Staten

In Barron and Staten's (2004) article, the authors examined a 12-month snapshot of more than 300,000 credit card accounts in three categories — accounts opened via a college-student marketing program, accounts opened by individuals under 25 in a standard marketing plan, and accounts opened by individuals over 25 not part of a college marketing plan.

Accounts belonging to individuals who received their credit cards as part of a college-student marketing plan were more likely to be delinquent and more likely to be charged off than others. They also found that those accounts had lower balances and less frequent use than other accounts. However, there were some artificial constraints.

One important constraint on the college-student marketing accounts was the lower limits (often \$500 or less). The authors also found that account activity in accounts started as part of a college-student marketing program began to become more like other account types after two or more years. It does not really contradict other studies because it only examines account behavior and not the individuals who

owned the accounts (e.g., they had no way to know if charge offs on one card were linked to any others because they had no way to link individuals in the study with more than one card). There are also good critiques of earlier credit card studies, especially the Nellie Mae studies.

Davies and Lea

The only study from outside the United States was the 1995 study (Davies, E. & Lea, S.E.G.) of student debts at the University of Exeter in the United Kingdom. In the study, which was less focused on credit cards than the others, they compared the debt levels of first-, second-, and third-year students. As in Mattson, et al. (2004) and Norvilitis, et al. (2003) the data was collected from a survey of the students.

The way the authors administered their survey gave them very nearly a 100 percent rate of return. Much of what they found mirrors what the U.S.-based researchers found. As students progressed, their debt loads increased. Students borrowed to support a middle-class lifestyle. The authors noted that most of the students came from middle class or higher backgrounds and were reluctant to give up those comforts. Also, students expected to be able to repay what they viewed as temporary debts.

Student attitudes toward debt changed over time as well. As a group, the investigators found students to have more positive attitude toward indebtedness than the general population. However, first-year students as a group had a slightly negative view of debt, but by the third year, the group had a strong pro-debt view. It is the authors' contention that the need to finance life and study with debt leads to the pro-debt attitude and not vice versa.

Mattson, Sahlohoff, Blackstone, Peden, and Nahm

The article examining credit card use among students at the University of Wisconsin – Eau Claire is based on a multi-year study by Nellie Mae that shows Midwestern students carry higher balances on credit cards (Mattson, L., Sahlohoff, K. Blackstone, J. Peden, B. Nahm, A.Y. 2004). The authors used an Internet survey of freshman and senior students and compared the findings.

Not surprisingly, seniors had more debt and more credit cards and acquired their cards in different ways. Important findings include the fact that students educated about credit card use and credit carried balances similar to students who had not been given such education. The study also found a correlation between students who got their cards from on-campus promotions and high credit card balances. Other factors that influenced students to use cards and not pay off their balances included the presence of other debts, income level, and the number of credit cards the student had.

Nellie Mae

Last, so far, in a series of reports on student credit card use, the 2002 study by Nellie Mae sought to avoid self-reported data. The credit card behavior analyzed is drawn solely from students who were applicants for private Nellie Mae education loans. The company analyzed the credit reports of a random sample of loan applicants from different areas of the U.S.

Important findings include the differences in student debt by U.S. region and the fact that most students now have their first credit experience via credit cards rather than student loans. Ten years prior to this report, most students had their first experience with debt via federal student loans. Other important finding includes students carrying higher median balances than in the past and having more cards. Most students have at least one credit card — 83 percent. Between matriculation and graduation, students triple the number and double the balances of their credit cards.

Norvilitis, Szablicki, and Wilson

In Norvilitis, J.M., Szablicki, P.B., & Wilson, S.D. (2003), the authors studied a sample of students at a single higher education institution, SUNY – Buffalo. Not surprisingly, many of the findings were again similar. Among others, they found higher debt-to-income ratios for students who received their first cards on campus, a very high percentage of students with cards — 75 percent — and a low level of knowledge about money and credit. Interestingly, they also found 24 percent of the students believed that on-campus credit card vendors had been screened by the university. This was untrue.

Other important findings included the fact that students used credit cards to support a middle-class lifestyle and overestimated their post-graduate earning and, thus, their ability to repay their debts. The authors also found that students who had anti-debt attitudes carried debt loads similar to students with more pro-debt attitudes.

Winerman

The final article is from the American Psychological Association's magazine *Monitor on Psychology* (2004). The issue focused on consumerism, and the review of some literature on student debts was just one part. The author, Winerman, also spoke with several authors of studies on debt and asked them to elaborate on their findings.

Among the findings in her article, poorer people are more likely to be in debt, as are younger people. Also, having a low income compared to others in the same social class is also positively correlated to being in debt. Obviously, these three findings describe the situation of many college students. Not surprisingly, attitude toward debts was positively correlated to being in debt in most studies. Winerman found the question of whether debtors changed attitudes or vice versa to also be an interesting question.

Conclusions

As a group, the studies present a notable body of work. The fact that the three campus-based studies (Davies & Lea, 1995; Mattson, et al., 2004; Norvilitis, 2003) tend to confirm one another's findings, especially the two American studies, suggests that we can have some confidence in them. It is interesting to note that none of them were able to find a connection between locus of control and the level of a student's debt, though all three hypothesized that one would exist.

The Nellie Mae (2002) study and Barron and Staten's (2004) study attempted to avoid the problems sometimes associated with surveying individuals. Those problems often include the rate of return and inaccuracies with self-reported data. Both studies provide useful information. The fact that the Nellie Mae (2002) study was able to report trends based on two prior studies, and the fact that Nellie Mae reported national data was very helpful. Both, the Barron and Staten (2004) and the Mattson, et al. (2004) studies refer to it. The Nellie Mae study is especially helpful for background information. The limitation of both of these studies is their inability to explain student motivations. This limitation is not a flaw but an inevitable consequence of their designs.

One cause for concern with the Nellie Mae study (2002) is the fact that all the data was collected from students who applied for Nellie Mae education loans. Because of the nature of private education loans, it is possible that those students applying for them would have higher than average indebtedness and willingness to incur debt compared to the general population of students. In most cases, students borrowing these types of loans have already used the maximum amount of federally subsidized loans. Furthermore, despite huge growth in private education loan volume, borrowing money from private sources is still atypical. Barron and Staten (2004) commented on this aspect as well.

The sixth study, like this article, was largely a review of literature. Winerman (2004) also spoke with the authors of several of the studies and reported their comments. A primary point of interest in this study is that it gave voice to the motivations and intuitions of some of the authors. It also provided a broad look at student debt and credit cards.

Based on these six studies, what can we now say seems reasonable to assume about the relationship between students and debt, especially credit cards? It seems likely that students are often borrowing and using credit cards to support a lifestyle based on the findings reported in four of the articles (Davis and Lea, 1995; Mattson, et al., 2004; Norvilitis, et al., 2003; and Winerman, 2004).

Though student credit card accounts opened through college-student marketing programs were reported to have low balances by design (Barron & Staten, 2004), several studies found that students who received their cards in that way were more likely to be in more debt (Mattson, et al., 2004; Norvilitis, et al., 2003). The appropriate conclusion seems to be that the number of cards students possess is critical to the debt load they can and will incur. Also, whatever the unknown causal

factor is, having credit card vendors on campus has a negative impact on student debt loads.

Barron and Staten (2004) observed that college-student marketed accounts were more likely to be charged off or delinquent than others; however, after two years, those risks seemed to merge with accounts generated in the mainstream. Part of the explanation may lie in the findings of Norvilitis, et al. (2003) that many students lacked an understanding of basic finances and even believed that colleges screened credit card vendors operating on their campuses. Norvilitis and her co-authors (2003) also found that students tended to overestimate their future earnings, and, therefore, their abilities to handle high amounts of debt. The conclusion I draw from these facts is that financial literacy education is important for today's students. However, it is apparent that basic financial literacy training, while necessary, is not sufficient. Norvilitis, et al. (2003), found that students who were opposed to taking on debt were indebted at levels similar to students with pro-debt attitudes, and Mattson, et al. (2004) found that students who were educated about how credit and debt worked were indebted at the same level as their less-informed peers. This, combined with the observation that incurring debt often leads to a change in attitude towards indebtedness, (Davies & Lea, 1995). It seems likely that education about lifestyle choices and other factors related to the motivation to spend money and incur debt is also required.

It seems intuitive enough, but it is important to start financial literacy education as early as possible. Freshmen attitudes toward debt are more negative (Davies & Lea, 1995) and they have fewer credit cards and lower balances (Mattson, et al., 2004; Nellie Mae, 2002; Norvilitis, et al., 2003). Also, those students may not have been targeted yet by marketers and would be better-prepared if they were educated sooner rather than later. Additionally, Barron and Staten (2004) suggest that over a period of about two years, students who received their cards through college marketing programs caught up to individuals who received their cards through mainstream marketing. I think this suggests that freshmen are more likely to be helped by financial literacy training than upper classmen. Educate the freshmen, or they will be forced to learn from experience that may include financial hardships and be a threat to retention.

There has been a significant amount of work done in the last ten years to understand student indebtedness. My contention is that good research pays off when it is put to good use. I think these studies suggest some specific things we can do to engender good credit and spending practices by our students on our campuses. Doing so can aid retention, graduation, and alumni satisfaction. Specifically, we need to educate our students about basic finances and lifestyle choices and how those will impact their futures. We need to do this as early as possible to get students savvy to marketers and to give them the knowledge to deal with the debts they do incur. We should specifically encourage them to limit the number of credit cards they have and teach them to use them responsibly. Finally, we need to ensure that students have a realistic idea of how much they are going to earn when they leave the campus for good. Unfortunately, most of them won't

start out making that six-figure salary they were anticipating. It also sounds like it would be a good idea to keep credit card vendors off of campus or limit their presence as much as possible.

Studies reviewed in this article

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Events calendar

American Association of Community Colleges (www.aacc.nche.edu)

85th Annual Convention

April 9-12, 2005

Boston, Massachusetts

TG (www.tgslc.org)

Annual Conference

April 11-13, 2005

Austin, Texas 78701

Texas Association for College Admission Counseling (www.tacac.org)

Spring Conference

April 24 - 26, 2005

Woodlands, Texas

Ohio Association of Student Financial Aid Administrators (www.oasfaa.org)

Spring Conference
May 18-20,
Hilton Akron/Fairlawn Hotel
Akron, Ohio

**National Institute for Staff and Organizational Development
(www.nisod.org)**

Annual Conference
May 29 – June 1, 2005
Austin, Texas

Texas Higher Education Coordinating Board (www.thecb.state.tx.us)

21st Annual Recruitment and Retention Conference
June 20-22, 2005
Austin, Texas

**National Association of Student Financial Aid Administrators
(www.nasfaa.org)**

Annual Conference
July 3-6, 2005
New York, New York

**National Association of College and University Business Officers
(www.nacubo.org)**

Annual Meeting
July 10 – 12
Baltimore, Maryland

Association of Southern Baptist Admissions Professionals

Annual Conference
July 18 – 20
Dallas, Texas

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