UC Santa Cruz Undergraduate Student Financial Literacy and Impact of Finances on Retention

2022 UC Undergraduate Experience Survey (UCUES)

Report by IRAPS, Spring 2023

The 2022 UC Undergraduate Experience Survey (UCUES) survey asked students several questions about financial literacy needs, as part of a special UC Santa Cruz-specific module.

The survey was open from April 5, 2022 to July 1, 2022. All undergraduate students enrolled in Winter 2022 were invited to participate.

KEY FINDINGS

Financial literacy topics desired by students

- Students wanted to learn more about the following topics related to paying for their education: scholarships/fellowships (53%), budgeting (50%), financial aid (47%), and managing student loans (33%).
- Over half of students wanted to learn about taxes (59%) and investing (54%).
- Among Pell grant recipients, nearly 3 in 5 (59%) were interested in learning more about financial aid and about scholarships/fellowships. Also, 40% wanted to learn more about managing student loans.

Potential impact of cost of attendance on retention

- About 1 in 5 (21%) students who have received a Pell grant indicated frequently considering leaving UCSC due to the cost of their studies, compared with 13% of non-Pell students.

FINANCIAL LITERACY EDUCATION TOPICS DESIRED AT UCSC

Overall interest in topics in financial literacy

About 6 in 10 students (59%) indicated that they were interested in learning more about **taxes** while they are UC Santa Cruz students. Just over half of students (54%) wanted to learn more about **investing**, or in learning more about **scholarships or fellowships**. Half (50%) wanted to learn more about **budgeting**.

Almost half (47%) of students indicated that they were interested in learning more about **financial aid** while they are UC Santa Cruz students. In addition, one-third (33%) wanted to learn more about **managing student loans** while they are UC Santa Cruz students. See Table 1.

Table 1. Interest in financial topics, by transfer status and student level

% Selected	Started as frosh				Started as transfer		Overall
	Frosh	Sophomores	Juniors	Seniors	Juniors	Seniors	
Budgeting	59%	67%	62%	61%	49%	49%	59%
Financial aid	54%	58%	52%	55%	49%	50%	54%
Scholarships/fellowships	61%	61%	54%	44%	56%	53%	53%
Managing student loans	54%	55%	48%	50%	49%	43%	50%
Taxes	60%	54%	43%	37%	52%	47%	47%
Investing (for example, stocks)	40%	35%	32%	30%	33%	30%	33%
Other financial topics	2%	2%	2%	2%	2%	2%	2%

Question text: Which of the following financial topics would you like to learn about while you are a student at UCSC? Select all that apply.
Note(*): Student level is based on credits as of Spring 2022.

Differences based on Pell status

Comparing interest in learning about financial aid by Pell grant recipient status, Pell students (59%) were somewhat more likely than non-Pell students (37%) to indicate wanting to learn about **financial aid**. Pell students (40%) were also more likely than non-Pell students (28%) to indicate wanting to learn more about **managing student loans.**

Other topics such as **taxes** and **investing** had similar levels of interest between Pell and non-Pell students. See Table 2.

Table 2. Interest in financial topics, by Pell status*

% Selected	Overall	Pell grant recipient	No Pell grant	Differences
Budgeting	50%	53%	47%	Pell > Non-Pell ($p < .01$)
Financial aid	47%	59%	37%	Pell > Non-Pell ($p < .001$)
Scholarships/fellowships	53%	59%	49%	Pell > Non-Pell ($p < .001$)
Managing student loans	33%	40%	28%	Pell > Non-Pell ($p < .001$)
Taxes	59%	58%	60%	--
Investing (for example, stocks)	54%	55%	53%	--
Other financial topics	2%	2%	1%	Pell > Non-Pell ($p < .05$)
None of the above	12%	9%	14%	Non-Pell > Pell ($p < .001$)

Note(*): Pell status is based on an answer to a question in the survey.

OTHER FINANCIAL LITERACY TOPICS

Some students indicated 'other' topics of interest. Other topics frequently mentioned by students include buying or leasing a home, making money, learning how to plan for post-graduation employment, and what financial literacy means. Suggestions are listed verbatim below. See Table 3.

Table 3. Other topics mentioned

Affordable housing
Assistance Services & Insurance!
A required GE that dives into navigating personal finances (taxes, budgeting, etc.) would be amazing
Anything?? Mortgages? W-2? Bank loans? Credit cards??
Building credit
Bills, housing
EFC correction, emancipation
Expected salaries post-graduation
Future salaries
Financial literacy as a whole
Finding housing. Don't just refer me to an off-campus housing website.
How to monetize music and beats I have been making.
how to pay bills after college! building credit!
How to overthrow capitalism
Home buying
How to budget for bills and rent
I literally do not know anything about finances. I don't even really know what a W2 form or stuff like that is entirely…
How to fund graduate / professional degree endeavors after UCSC
Job & Career planning/investing/income possibilities
Knowing where my tuition is going and why I need to be fined $50 for not being to pay my $1,500+ tuition a quarter, I don't have that money and why do I need to keep getting charges on top of money I will of course pay, it is very greedy and obnoxious of the university to do that.
Literally where to get money
Mortgage
I have no idea how to do taxes
Patents
Learn about mortgages and leasing house
Opportunities for money
Opportunities/internships
Resume application
Retirement plan
The absurd price of tuition compared to services offered
Retirement
Savings
Specifically, summer session financial aid
Why administrators make so much money when they do nothing and won't pay their workers a living wage

POTENTIAL IMPACT OF COST OF ATTENDANCE ON RETENTION

Taking a break from UC Santa Cruz or leaving due to cost

In terms of cost of attendance on taking a break from or leaving UC Santa Cruz, results were generally similar across student levels.

About 1 in 8 (13%) students *frequently* considered taking a break from UC Santa Cruz or leaving UC Santa Cruz due to the cost of their studies. Overall, 3 in 10 (30%) students *occasionally* considered taking a break or leaving. See Table 4.

Table 4. Considered taking a break from or leaving UC Santa Cruz due to the cost of attendance, by student level*

	Frosh	Sophomores	Juniors	Seniors	Total
Never	54%	57%	54%	57%	49%
Occasionally, but decided against it	26%	30%	31%	30%	33%
Frequently, but decided against it	17%	12%	13%	13%	16%
Decided to take a leave or withdraw from UCSC in Spring or Fall 2022	2.5%	0.8%	1.7%	1.4%	1.5%
Total:	100%	100%	100%	100%	100%

Question: This academic year, how often has the cost of your studies made you seriously think about taking a break from UCSC or leaving UCSC?
Note(*): Student level is based on credits as of Spring 2022. Results for most rows are rounded to the nearest percent.

Among students who have received a Pell grant, 1 in 5 (21%) indicated *frequently* considering leaving UC Santa Cruz due to the cost of studies, compared with 13% of non-Pell students. In addition, 38% of students who have received a Pell grant indicated *occasionally* considering leaving UC Santa Cruz due to the cost of studies compared with 30% of non-Pell students.

Pell grant recipients were **significantly more likely** ($p < .001$) than non-Pell students to have at least *occasionally* considered taking a break or leaving, compared with their peers. In Spring/Summer 2022, about 2% indicated having decided to take a leave or withdraw for either Spring or Fall 2022. See Table 5.

Table 5. Considered taking a break from or leaving UC Santa Cruz due to the cost of attendance, by Pell status*

	Pell	Non-Pell
Never	39%	56%
Occasionally, but decided against it	38%	30%
Frequently, but decided against it	21%	13%
Decided to take a leave or withdraw from UCSC in Spring or Fall 2022	1.5%	1.5%
Total:	100%	100%

Note(*): Pell status is based on an answer to a question in the survey. Results for most rows are rounded to the nearest percent.

Overview of Respondents

Student level is by credits, so the largest group of students was listed as seniors. Pell grant recipient status was measured by an answer to a survey question (43% of those who answered the question indicated having received a Pell grant). See Table 6.

Table 6. Respondent profile

		Student level (by credits as of Spring)	Overall (N)	Percent (%)
Admit type and student level	Started as frosh	Frosh	552	12%
		Sophomores	958	20%
		Juniors	875	19%
		Seniors	1220	26%
	Started as transfer	Juniors	366	8%
		Seniors	757	16%
Pell grant status (based on survey response)		**Pell grant recipient**	1762	43%
		Not a Pell recipient	2329	57%