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Exploring the Experiences and Effectiveness of Student Loan Entrance Counseling

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This dissertation, directed and approved by the candidate's committee, has been accepted by the College of Graduate and Professional Studies of Abilene Christian University in partial fulfillment of the requirements for the degree

Doctor of Education in Organizational Leadership

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of the requirements for the degree of

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by

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Dedication

Three people come to mind when I look back at my doctoral journey—my mom, my dad, and my wife.

Mom and Dad, you left India and came to this country with no jobs, no connections, and didn't even speak the language. You sacrificed everything you had and left everyone you knew so I could have opportunities you never had. The standard in our house was always unwavering faith in Jesus, kindness, hard work, and excellence. You led by example, and I stand on the shoulders of your love, prayers, and sacrifices. So, Jolly Oommen and Rev. Vergis Thekkadathu Oommen, this work is dedicated to you. The "Dr." may be attached to my name, but it is forever etched into your legacy. Words fail to convey how dearly I love you and how grateful I am to both of you.

To my incredible wife—you are my muse and the reason I pursue excellence in every area of my life. When the road feels impossible, you encourage and lift me up. When I doubt myself, your faith in me brings me strength. Thank you for being my biggest cheerleader and the fuel that ignites my ambition! I would not be the man I am today without your love. So, Dr. Nitina Babu, this work is dedicated to you. There is nobody else I would rather share this journey with! I love you with all of my heart.

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Abstract

Student loan debt is one of the most pressing issues in the United States today. The rate of student loan debt in the United States continues to rise year after year, and the country is experiencing a crisis of increased student loan debt. A program that started with a budget of $15 million in 1965 to expand access to higher education has increased exponentially to over $1.5 trillion in student loan debt today. Students are ushered into the college experience often without possessing a firm grasp of basic financial literacy skills. Federal legislation mandates borrowers to take a 30-minute counseling session to learn the rights and responsibilities of borrowers, but the one-size-fits-all approach to delivering counseling is problematic. The purpose of this study was to understand better the perspectives of current and former undergraduate students that have taken part in the federal student loan entrance counseling program. For this research study, a qualitative multicase study was carried out. Data were collected from 20 participants using preinterview surveys and interviews. The sample population included 10 current undergraduate students who had taken part in the federally mandated student loan entrance counseling program and 10 participants who had graduated college in the last five years and also taken part in the counseling program. The study findings revealed that students felt overwhelmed by the student loan process; they did not consider the implications of borrowing student loans, they felt unprepared and undereducated, and they were not engaged in the entrance counseling program.

Keywords: student loan debt, federally mandated student loan entrance counseling, financial literacy, financial pedagogy, learning retention

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Chapter 1: Introduction

Student loan debt is a significant issue in America today. Carnevale (2012) stated that student loan debt had surpassed both credit card and mortgage debt. The financial obligations of attending college and applying for student loans are common topics that students and families discuss; however, many of the discussions of paying for college and borrowing money take place with little understanding of student loans (Reed, 2011).

America's federal student loan program was introduced in 1965 to expand access to higher education for first-generation and low-income students, and the initial budget for the program was $15 million (Best & Best, 2014). Fifty-five years later, that $15 million budget multiplied to a staggering $1.5 trillion (Friedman, 2020). The increase in the student loan budget was partly attributed to the burgeoning number of students attending college and the rising costs of attending college. From 2007 to 2011, the number of students applying for student loans increased from 19 million to 31 million, an increase of over 60% (Scott-Clayton, 2015).

The general belief that one could secure a high-paying job after earning a college degree, in addition to forecasts that college-educated individuals would hold higher-paying jobs (Best & Best, 2014), also contributed to an increase in college enrollment. Therefore, assertions included that individuals need an education beyond high school to be employed in the 21st century. Furthermore, Georgetown University's Center on Education and the Workforce predicted that 95% of the workforce would be college educated (Carnevale, 2012). However, as the emphasis on higher education grew along with the enrollment, student loan debt also increased.

Students are often ushered into the college experience without possessing a firm grasp of basic financial literacy skills (Lusardi, 2019). Many students enter their postsecondary education with little to no knowledge of financial products and services available to them (Geddes & Steen, 2016). These financial products and services are obtained and used by students without fully understanding the effects these tools have on their futures. Geddes and Steen (2016) argued that although Americans are not equipped with the proper financial knowledge or training, they are responsible for handling complex financial tools and products and making important financial decisions. The rate of student loan debt in the United States continues to rise year after year, and the country is experiencing a crisis of increased student loan debt. In 2016, student loan debt reached approximately $1.3 trillion (Saleh et al., 2017). In 2017, an average of $48,000 of student loan debt was linked with graduating college students (Richardson, 2017). As a result of the student loan debt, students were expected to follow a monthly repayment plan of approximately $350 for the next 10 years; however, 30% of the college graduates did not make any principal payments nearly three years after they had left their institutions (Richardson, 2017; United States Department of Education, 2017). From 2010 to 2019, the average costs associated with getting an undergraduate degree while attending college full-time increased by 19% (National Center for Educational Statistics, n.d.). In 2020, over 44 million borrowers amassed a total of over $1.5 trillion in student loan debt, with the average student owing close to $37,170 (Friedman, 2020). As the cost of higher education continues to increase, students are applying for and accepting student loans without understanding the fundamental basics of borrowing and repayment.

Lusardi (2019) stated that the level of knowledge and training regarding student loans is low across America, and approximately one in five students lack basic financial skills. When students move forward from university studies, graduates often struggle with identity exploration, independence, instability, and self-focus due to student debt (Poucher, 2017). According to a study by Velez et al. (2018), the study results showed that college graduates with higher student loan debt ended up struggling to secure occupations of their choice, earning enough wages, or even owning a home. Without equipping today's students with the necessary tools to leverage these financial tools effectively and efficiently, the national student loan debt will continue to increase, and students will also continue to be burdened from the impact of their student loan debt.

Although college students are educated in many academic fields, they often are not financially literate about the complex nature of student loans or how to properly utilize and pay back those loans. The Jump$tart Coalition for Personal Financial Literacy is a nonprofit group that works to advance the financial literacy of students from preschool through college-age youth (Poucher, 2017). The Jump$tart Coalition recommends that financial literacy courses should be mandatory and include analyzing the costs and benefits of credit, budgeting, saving, and the responsibilities associated with personal financial decisions (Poucher, 2017). The Council for Economic Education (CEE) works hand in hand with the Jump$tart Coalition to complete a biennial survey of personal finance education in schools from every state in America. The survey results were converted into letter grades ranging from A to F based on each state's educational standards for teaching personal finance. States that required personal finance to be taught and an exam to test knowledge were given A grades, and F grades were given to states that offered no personal financial education at the high school level. The extensive study results revealed that 40% of states earned A or B grades while 44% earned a D or F grade. Based on a result of these findings by the CEE, Geddes and Steen (2016) argued that the national standard for financial literacy was extremely low, which could leave the country's youth vulnerable and unprepared for the global economy.

Geddes and Steen (2016) also examined the course offerings of the top 105 national liberal arts colleges, all 117 U.S. members of the Council for Christian Colleges and Universities (CCCU), and the top 100 national universities in the United States. Only 35% of the top 105 liberal arts colleges offered investment or financial planning courses. Out of all 117 U.S. members of the CCCU group, only 26% offered a financial planning course. From the top 100 national universities group, only 25% offered both an investment and financial planning course (Geddes & Steen, 2016). These results are staggering and reaffirm how unprepared students are prior to borrowing student loans. Poucher (2017) commented that if students are saddled with a yoke of debt that will restrict their life choices and limit them for years to come, are educators and others preparing them for success?

Statement of the Problem

In 2015, federal and private student loan debt reached the $1.3 trillion mark, an increase of 170% since 2006 **(**Fuinhas et al., 2019; Miller & Nikaj, 2018; Saleh et al., 2017). Five years later, in 2020, the student loan debt has increased by over $200 million to a total of over $1.5 trillion in student loan debt, with an average debt of $37,170 per student (Friedman, 2020). Students borrow to pay the remaining balance of higher education costs after scholarships and grants (Kezar et al., 2015). After the 2008 financial crisis, funding for state grants decreased, and students had to rely on the student loan program to attend college (Kezar et al., 2015). As a result, students are accruing significant student loan debt to attend institutions of higher education (Baum & O’Malley, 2003). Roughly 71% of students attending college borrow student loans, and that debt is exponentially increasing every year (Looney & Yannelis, 2015; Miller & Nikaj, 2018). Student loan debt is becoming a tremendous concern for the American economy. It is the second-highest consumer debt after mortgages, but it is higher than credit card and auto loan debt (Fuinhas et al., 2019).

Although student loan debt is such a massive obligation, both ensnaring students and straining government resources, financial education at the secondary and undergraduate levels have been wholly inadequate or lacking. Out of 43 states that include the subject of personal finance in their K–12 standards, only 17 require high school courses to be taken, and the topic of borrowing student loans is not included in most personal finance curriculum (Bartholomae et al., 2017; Poucher, 2017). Boatman et al. (2017) stated that extensive financial literacy education among college students would equip students to make more informed decisions regarding student loans. However, many students borrow student loans blindly without understanding their long-term impact (Akers & Chingos, 2014).

Federal legislation mandates borrowers to take a 30-minute counseling session to learn the rights and responsibilities of borrowers, but the one-size-fits-all approach to delivering counseling is problematic (Bartholomae et al., 2017; Milhouse, 2018). Little research has been done on the effectiveness of student loan counseling or the methods and materials used to deliver it (Bartholomae et al., 2017; Fernandez et al., 2016).

Purpose of the Study

The purpose of this qualitative case study was to understand better the perspectives of current and former undergraduate students who have taken part in the federal student loan entrance counseling program. The primary goal of this study was to understand students' experiences and perspectives as they applied for student loans and took the federally mandated student loan entrance counseling program. In this study, I focused on the experiences and perceptions students had while taking student loan entrance counseling. Through this study, I aimed to identify how effective the counseling process was and how the program impacted borrowing decisions.

Research Questions

To gain a better understanding of how entrance counseling impacted students and to understand their experiences during the counseling program, the primary research questions were:

RQ1: How do existing and former undergraduate students perceive the student loan application process and student loan debt?

RQ2: How do existing and former undergraduate students feel entrance counseling shaped their borrowing decisions?

Definition of Key Terms

Entrance counseling. Student loan entrance counseling is a mandatory process intended to help borrowers better understand the responsibilities they will be taking on when borrowing federal student loan money (Morris, 2020).

Financial aid. Financial aid is money given or lent to students to help pay for their education (Merriam-Webster, n.d.).

Financial literacy. Financial literacy is the possession of skills that allows people to make smart decisions with their money (Ramsey Solutions, 2021).

Chapter Summary

Student loan debt is one of the most important issues in America today. The rate of student loan debt in the United States continues to rise year after year, and the country is experiencing a crisis of increased student loan debt. In 2020, over 44 million borrowers amassed a total of over $1.5 trillion in student loan debt, with the average student owing close to $37,170

(Friedman, 2020). The only mandated financial training students receive is the federal student loan entrance counseling program, a 30-minute counseling session to learn the rights and responsibilities of borrowers; however, the one-size-fits-all approach to delivering counseling is problematic. Although Americans are not equipped with the proper financial knowledge or training, they are responsible for handling complex financial tools and products and making important financial decisions (Geddes & Steen, 2016).

In Chapter 1, the purpose of this qualitative study was discussed, which was to understand better the perspectives of current and former undergraduate students who have taken part in the federal student loan entrance counseling program. The primary goal of this study was to understand experiences that students had with the federal student aid process and describe what they understood and recalled from the mandatory entrance counseling session. Chapter 2 will review relevant literature connected to the impact of federal student loan entrance counseling.

Chapter 2: Literature Review

Almost 17 million U.S. students matriculate into college every year (National Center for Educational Statistics, n.d.). Sixty-nine percent of these students utilize the federal student loan program (Looney, 2020). Student loan debt is the second-highest consumer debt category behind mortgage debt and has surpassed both credit card debt and auto loans (Friedman, 2020). The U.S. federal student loan program was introduced in 1965, and the initial budget for the program was $15 million (Best & Best, 2014). Thirty-five years later, that $15 million budget multiplied by 800 percent to a staggering $12 billion (Williams, 2008). In 2015, federal and private student loan debt reached the $1.3 trillion mark, an increase of 170% since 2006 (Fuinhas et al., 2019; Miller & Nikaj, 2018; Saleh et al., 2017).

This literature review synthesizes existing research surrounding the problem statement: the effectiveness of student loan entrance counseling. The purpose of this literature review was to provide a robust foundation of existing research that will help further identify the gap in the literature and assist in formulating the remainder of this study to decrease the gap. The Higher Education Act amendments of 1986 mandated that all U.S. federal student loan borrowers must receive some form of financial counseling (Miller, 2018). Today, that counseling program is a 30-minute online counseling session purposed to help borrowers learn their rights and responsibilities, but the one-size-fits-all approach to delivering counseling is problematic (Bartholomae et al., 2017; Milhouse, 2018). Little research has been done on the effectiveness of student loan counseling or the methods and materials used to deliver it (Bartholomae et al., 2017; Fernandez et al., 2016). The outline of research within the literature review begins broadly with the topic of the student loan debt crisis and funnels into each subsequent topic: the lack of financial literacy in American education, financial pedagogy, learning retention, and federal student loan entrance counseling.

Student Loan Debt Crisis

Student loan debt is one of the most pressing issues in the United States. In 2016, student loan debt reached approximately $1.3 trillion (Saleh et al., 2017). Braga et al. (2019) stated that nearly a third of Americans are in credit card, student loan, or mortgage debt. The Summer and Student Debt Crisis Organization (2018) noted that about 55% of millennials with student loan debt also have credit card debt. However, student loan debt has significantly surpassed credit card debt in America, becoming the second-largest debt instrument after mortgage (Braga et al., 2019; Ulbrich & Kirk, 2017). Friedman (2020) affirmed that today, student loan debt has surpassed credit card debt and is second to mortgage debt in America. The total student loan debt owed exceeds credit card debt by approximately 150% of credit card debt (Friedman, 2020).

In 2020, over 44 million borrowers amassed a total of over $1.5 trillion in student loan debt, with the average student owing close to $37,170 (Friedman, 2020). Currently, California and Texas residents hold the highest amount of student loan debt: 3.7 million borrowers from California owe the federal government a total of $120 million in student debt loans, and 3.1 million borrowers from Texas owe the federal government a sum of $92.5 million in debt (Friedman, 2020). Individuals that incur student loan debt are often tethered to that debt for many years; however, that financial burden was never the original intention behind the inception of the federal student loan program.

The History of Student Loans in America

Today, more than 17 million students are enrolled in colleges and universities all over the United States (National Center for Education Statistics, n.d.). However, the foundation and opportunity for students to gain access to higher education were established many years ago. Initially, a collaboration between many philanthropists and the United States government helped fund universities and colleges in America (Landry & Neubauer, 2016). Families of students would arrange accommodations to be provided and would be able to fund a portion of the fees primarily because the costs of higher education were mostly nominal at the time. As the 19th century progressed, institutions catering to middle-class students' needs were introduced, and the 1862 Morrill Act allocated funding for land grant institutions that expanded postsecondary education (Spring, 2017; Stein, 2020). At the time, students getting a free college education was justified as a public and ethical undertaking. The ensuing decades saw tremendous additional changes.

In 1870, more than 64,000 students were enrolled in postsecondary education (Diner, 2017). At that time, the higher education landscape changed significantly due to economic improvement, rapid industrialization, and various careers offered to graduates. Colleges churned out public servants and engaged in training careerists through a profitable and promising education model (Diner, 2017). The National Center for Education Statistics (2018) documented that the number of students enrolled in American institutions of higher learning increased each year. As a result of increased enrollment, costs associated with attending institutions of higher education also increased. Due to increased costs, John D. Rockefeller, Jr., suggested that students should have access to affordable loans that would have a requirement to be paid back a decade after their graduation (Maher, 2016). This idea of loans for students presaged the accumulated student loan debt crisis that was to come (Maher, 2016).

In 1944, the G.I. Bill, also known as the Servicemen's Readjustment Act, was signed to provide veterans with an opportunity for a free college education. The G.I. Bill was passed as the

Second World War ended. The bill provided massive funding to subsidize postsecondary education, business loans, and mortgages that had very low interest rates and were backed by the government (Zhang, 2018). After a decade, college enrollment in America increased to 2.4 million students due to veterans taking advantage of the provisions associated with the bill (Zhang, 2018).

In 1954, the Supreme Court ruling struck down separate doctrines that fostered school segregation, allowing Black students into higher learning institutions. In 1958, fears caused by the Cold War that the United States was not as technologically advanced as our counterparts prompted Congress to pass the National Defense Education Act to motivate and bolster foreign language education, mathematics, and science (Maher, 2016). The National Defense Education Act offered students scholarships and loans to attend college by establishing the National Defense Student Loan program, which later became the Federal Perkins Loan system (Maher, 2016; Zhang, 2018). This federally backed system granted $1,000 to students annually with a sum amount that did not exceed $5,000 for the entire tuition course (Maher, 2016). In 1965, the Higher Education Act was passed, which moved student borrowing to a more intermediary system (Watson, 2019). Opportunities to receive a college education dramatically expanded. The Higher Education Act-backed loans issued by various lenders with a government guarantee and federal funding. Known as Stafford Loans, the government would repay these loans if students defaulted (Maher, 2016; Watson, 2019). At the time, the costs incurred of attending an institution of higher education were low, and college enrollment grew alongside the country’s economy.

The 1980s tax revolt and the Reagan Era prompted states to pass expenditure and tax limitations, restricting the amount states could tax or equally spend (Ehrenberg, 2020). Therefore, states that had implemented a highly subsidized college education started to spend less and raise tuition. Ehrenberg (2020) argued that increased loan distribution to students prompted institutions to hike tuition fees. When Reagan reduced student aid and higher education funding, the costs incurred for a college education increased. As tuition costs increased, policymakers scrambled to find solutions to cut costs and expand access to higher education (Ehrenberg, 2020; Putansu, 2020). The 1992 Higher Education Amendments introduced unsubsidized loans available to high school, college, and university students without considering their income level (Putansu, 2020). In 1993, the Student Loan Reform Act was introduced and had a repayment plan contingent on graduates' income levels (Putansu, 2020).

During the early 2000s, the Bush administration increased online education, and for-profit institutions expanded their student enrollment. The National Center for Education Statistics (2020) noted that between 2000 and 2010, student enrollment in for-profit institutions increased by 329%. However, when the Great Recession took place in December 2008, state and federal governments made significant cuts to reduce college education funding, and schools increased tuition fees to recoup lost revenue (Putansu, 2020). The labor market weakened, and workers treated higher education as a lifeline. There was a massive spike in private and public college enrollment (National Center for Education Statistics, 2020). Putansu (2020) stated that the financial crisis decreased existing faith in private creditors. Despite concerns in the capital markets, the Ensuring Continued Access to Student Loans Act empowered private lenders to avail federal loans to students before their elimination by the Education and Health Care Reconciliation Act in 2010 (Putansu, 2020).

From the start of the Great Recession in 2008 to the country's economic stability in 2018, the cost to attend college and student loan debt significantly increased (Chany, 2019; Putansu, 2020). In 2018–2019, the national average for college fees was $21,370 annually for in-state students enrolled in public learning institutions, $38,330 for out-of-state learners in public colleges, and $49,870 for students in private nonprofit universities (Hess, 2020). These averages have almost tripled over the last 20 years (Chany, 2019). Data from the Federal Reserve shows that the student debt loan has reached a staggering $1.56 trillion, an increase of $73 billion from 2018 (Debt.org, 2020; Haneman, 2019).

Reasons for Borrowing Student Loans

One of the factors associated with the exponential increase in student loan debt is the increased costs of higher education. The College Board (2019) noted that these costs continue to rise above the country's inflation rate. On average, the published costs of attaining a college education were 3% above the inflation rate almost 10 years ago (College Board, 2019). The 2008 housing market crash also contributed to the student loan debt crisis because the option for parents to utilize home equity lines of credit to pay for college was no longer readily available (College Board, 2019). Putman (2016) affirmed that student loan debt substantially increased because banks would not lend on existing equity on homes.

Another contributing factor to student loan borrowing is the general perception that a career on the other side of higher education will help eliminate student loan debt. Many college students utilize student loans as good debt or an investment in their future careers (Montalto et al., 2019). Many students willingly accept student loan debt with the belief that the education they will receive will safeguard their financial future (Houle & Warner, 2017). The belief of a lucrative career, coupled with a lack of real-world experience, led students to continue borrowing student loans (Furquim et al., 2017).

Baker et al. (2017) stated that another contributing factor to student loan borrowing was a segment of first-generation college student learners who lacked the experience and knowledge of the challenges of repaying student loan debts for many years to come. Most first-generation students apply for and accept student loans without fully understanding the repayment process—a concept referred to by behavioral economists as present bias (O'Donoghue & Rabin, 1999). Cho et al. (2015) affirmed that many first-generation college students make decisions that will benefit them in the short term without looking forward to realizing the long-term consequences of their immediate decisions. Barr et al. (2016) implored students to look carefully into the terms and conditions involved in borrowing for a college education because every dollar borrowed must be repaid plus interest. Many first-generation college students borrow entirely too many student loans simply because they are not aware of the interest that accumulates and the impact the debt amount will have on their future (Baker et al., 2017; Barr et al., 2016).

Financial literacy levels also impact student loan borrowing. Artavanis and Karra (2020) noted that students with low or deficit financial literacy levels have a higher likelihood of overborrowing and underestimating future loan payments. Approximately 38% of students with low financial literacy underestimate their future living costs (Artavanis & Karra, 2020). There are many ways students can understand student loans and how this debt will impact their futures. Barr et al. (2016) stated that a loan calculator is one resource students should utilize to estimate future loan payments to make a more well-informed financial decision that will impact them for years to come.

Financial Literacy

Financial literacy is a measure or indicator of a student's capability to execute proper and rational financial choices. According to the Organisation for Economic Cooperation and Development ([OECD], 2017), financial literacy refers to the understanding and knowledge of financial risks, skills, and concepts that empower people to make significant financial decisions across diverse contexts, which improves individual and societal well-being. Financial literacy impacts how individuals invest, save, borrow, and manage debt (Lusardi & Mitchell, 2014). Furthermore, the level of financial literacy a student possesses is directly tied to the accumulation of wealth (Cooper & Wang, 2014; Lusardi et al., 2017).

Students are ushered into the college experience often without possessing a firm grasp of basic financial literacy skills. Many students enter their postsecondary education with little to no knowledge of financial products and services available to them. Geddes and Steen (2016) argued that although Americans often do not possess extensive financial knowledge, principles, or tools, they are responsible for negotiating mortgage products, purchasing life and health insurance policies, controlling their own investment risk, and making other crucial financial decisions. Mindra and Moya (2017) affirmed that financial products and services are increasingly complex yet readily available for students to utilize with no proper training. Given that there are a growing number of complex financial instruments, such as mortgages, credit cards, and student loans, the lack of financial literacy can lead to tremendous financial difficulties (Lusardi, 2019). Compared to 30 or 40 years ago, students have a variety of financial tools at their fingertips, and how they utilize these tools drastically impacts their future economic well-being (Lusardi, 2019).

There was an increased number of young people who carried substantial debt into their adult lives compared to generations past (Lusardi et al., 2018). Students are chaining themselves to years of financial hardship based on poor financial literacy education in high school and college (Lusardi et al., 2018). Low levels of financial literacy in high schools and colleges are directly related to a lack of financial planning, excess monetary spending, poor debt management, and extensive borrowing (Lusardi, 2019). Many students simply do not comprehend concepts ordinarily learned through financial literacy education, such as interest rates, compounding interest, subsidized loans, unsubsidized loans, and loan deferment (De Bassa Scheresberg et al., 2020). Additionally, De Bassa Scheresberg et al. (2020) argued that students do not understand the accumulated debt caused by student loans due to a lack of financial literacy. Mottola (2013) affirmed that students with low financial literacy rates engage in costly financial behaviors.

Students with little or no financial literacy education are likely to incur substantial debt (Lusardi & Tufano, 2015). In contrast, students with financial literacy have an increased likelihood of living within their means in terms of borrowing loans (Lusardi & Tufano, 2015). Lusardi (2019) argued that students with financial literacy education have an increased likelihood of making the proper and responsible decision when utilizing credit cards and paying off credit card balances monthly. When college graduates were asked if they would make different choices regarding borrowing student loans given the opportunity to go back to that point of decision-making, more than 50% of surveyed graduates indicated that they would make drastically different choices (De Bassa Scheresberg et al., 2020). Individuals who understand financial concepts and their practical application have an increased likelihood of eliminating debt in a timely manner and having a proper retirement plan (Lusardi, 2019; Mitchell & Lusardi, 2015). Abramson (2019) stated that having formal financial literacy education and understanding all financing options for higher education would help most students avoid tremendous debt. Abramson (2019) stated that having proper financial literacy education and understanding all financing options for higher education would allow most students to avoid immense debt.

Financial Literacy Education in America

One of the primary factors associated with the student loan debt crisis is a lack of financial literacy education in high schools and colleges. Lusardi and Mitchell (2011) conducted a study of financial literacy rates with high school and college students, measuring the students' ability to understand simple financial concepts. The questionnaire was similar to the questions utilized in the Survey of Consumer Finances (SCF) and the National Financial Capability Study (NFCS). Based on survey results, Lusardi and Mitchell (2011) stated that financial literacy among high school and college students is considerably low. Clark et al. (2017) stated that even though a few students understood some financial concepts, they could not apply those concepts to real-world financial decision-making scenarios.

The Organisation for Economic Cooperation and Development (2017) developed a program for assessing students' financial literacy, known as PISA, which found that only 10% of 15-year-old high school students scored proficiently on a five-point financial literacy scale. A 2016 survey indicated that one in every five learners lacked the most basic financial knowledge (OECD, 2017). In a biennial survey conducted by the Council for Economic Education (CEE) that measured the quality of financial literacy education in American schools K–12, results revealed that over 40% of states earned close to a failing grade (Thompson, 2018). In addition, out of 43 states that included personal finance in their K–12 standards, only 17 states required high school personal finance courses to be taken (Poucher, 2017). Furthermore, only 35% of the top 105 liberal arts colleges offered financial planning courses, and only 25% of the top 100 national universities offered financial planning courses (Geddes & Steen, 2016). It is apparent that the national standard for financial literacy is extremely low (Geddes & Steen, 2016).

Lusardi and Tufano (2015) affirmed that the debt crisis is a strong call to teach financial literacy education in American high school and college curricula. The Jump$tart Coalition for Personal Financial Literacy recommended mandatory financial literacy courses covering topics such as loans, budgeting, and saving (Poucher, 2017). For students to make sound financial decisions, a more rigorous and robust financial education program is necessary for high schools and colleges (Urban et al., 2018). Initiatives to foster financial literacy must be extended across the American education system (Urban et al., 2018; Worthington, 2016). Blue and Grootenboer (2019) argued that financial literacy education could not be a one-size-fits-all curriculum. It must be tailored to what is relevant for students both now and in their futures.

Federally Mandated Student Loan Entrance Counseling Program

When students decide to finance their college education through the federal loan program, the first and most crucial step is to fill out the Free Application for Federal Student Aid (FAFSA) form. The FAFSA form comprises over 100 questions, and the responses to those questions are used to determine a loan applicant’s eligibility. The entire process might be complex and lengthy for learners applying for the first time. Mounting evidence suggests that the application form used by the federal government should be simplified and updated (Burd et al., 2013; Dynarski & Kreisman, 2013). After completing the FAFSA form, students are presented with an approved student loan amount. Prior to getting access to the funds, the master promissory note (MPN) must be completed. Once the MPN is completed, students are required to take part in a 30-minute mandatory student loan entrance counseling program that is completed online (Cooley, 2013).

Student loan entrance counseling occurs before the student aid is disbursed as required by the Higher Education Act of 1965 (Fox et al., 2017). The principal objective of entrance counseling is to reduce default and delinquency for student loan borrowers (Fox et al., 2017). Fox et al. (2017) stated that the student loan entrance counseling program gives borrowers an overview of their responsibilities after accepting student loans. The counseling program offers borrowers an opportunity to gain insight into what repayment would potentially look like postgraduation and the associated consequences of failing to repay the loans. Furthermore, the counseling program also educates borrowers on accruing interest, capitalization, and repayment options. Overall, the loan counseling program's primary intent is to offer practical, conceptual, and theoretical knowledge to students who borrow student loans to finance their higher education. Taylor and Bicak (2019) urged students to avoid rushing through the entrance counseling program and intentionally focus on and learn the concepts and guidelines associated with the funds to be dispersed.

The History of Student Loan Counseling

The Higher Education Act of 1965 (HEA) is a multifaceted law that authorizes and funds most higher education programs across the country (Klepfer et al., 2015). The HEA made education more affordable through low-interest grants and loans and expanded educational opportunities for the poor, people of color, and women. For almost five decades, the HEA had been the principal mechanism of federal aid legislation supporting higher education (Klepfer et al., 2015). In the 1980s, the United States was caught up in a global recession that resulted in inflation and high unemployment rates. Klepfer et al. (2015) noted that the government became concerned about growing loan program costs, defaults by borrowers, and the increasingly complex loan application process. Multiple questions arose on whether student borrowing would hurt the economy and impact other middle- and low-income learners looking for federal aid. The Guaranteed Student Loan Program was then created and encouraged private lenders to aid students without collateral or credit history (Burd et al., 2013).

In the 1980s, the HEA made it mandatory for schools to introduce entrance counseling to reduce loan defaulting from learners seeking higher education. At the time, 15% of students defaulted on federal aid within two years of entering repayment (Klepfer et al., 2015). By 1989, approximately 80% of learners in proprietary learning institutions defaulted on their loans, and policymakers were concerned that students lacked information on their borrowing, especially those from proprietary institutions (Burd et al., 2013; Klepfer et al., 2015). As a result, in 1989, the HEA mandated that all schools provide entrance counseling to their students to give them a better understanding of the consequences of defaulting and repayment before their graduation.

Almost a decade after introducing mandatory student loan entrance counseling, the federal government introduced electronic entrance counseling in 1998 (Klepfer et al., 2015). The introduction and increased adoption of the Internet introduced a more innovative way of delivering student loan entrance counseling. The Department of Education (ED) developed materials for entrance counseling, including how to view loan account history, generate personal identification numbers, manage debit accounts electronically, calculate amounts in repayment of loans, and select repayment plans. In 2000, the ED introduced new regulations on entrance counseling, which required the counseling program to include information on the master promissory note, the consequences of defaulting, and sign an electronic affirmation that the borrower understands their responsibilities as a borrower (Klepfer et al., 2015). Today, the ED's online counseling tool offers colleges and universities an effective and cost-free means to ensure students comply with federal regulations.

Details, Concepts, and the Importance of Student Loan Counseling

While entrance counseling is not only a necessity, it offers excellent resources and information to students looking to borrow their first loans (United States Department of Education, n.d.). First, the module aids students in understanding the terms of their loans. All borrowers enter their independent loan information and are provided with a visual of how their debt will grow over time (United States Department of Education, n.d.). Second, entrance counseling offers insight and suggestions on how to manage and responsibly utilize student loans. The counseling program provides an opportunity for students to input their budget, income, loan amount, and expenses to gain a full understanding of their financial picture. The tool's goal is to provide students with the ability to understand what funds are available for discretionary spending and encourage students to live within their means (Klepfer et al., 2015).

The entrance counseling program provides borrowers with an opportunity to understand the working principles behind loan repayment. Students can develop a repayment plan as they take financial responsibility upon themselves (United States Department of Education, n.d.). In dynamic setups, entrance counseling also aids learners in understanding the merit of saving on student loans as they initiate making payments while still studying. The entrance counseling program provides borrowers with an opportunity to understand how making loan payments while even in school impacts the life of the loan and repayment amount (United States Department of Education, n.d.). Entrance counseling guides students on how to avoid defaulting on their student loans and preventing loan delinquency.

The final segment of entrance counseling covers dynamic financial health tips necessary for student borrowers' empowerment. The program explains how borrowing, repayment, and failure of repayment impacts one's credit score (United States Department of Education, n.d.). Other topics covered in the program include opening a savings account, starting emergency funds, building budgets, and how to build one's credit score (Morris, 2020). Morris (2020) argued that because most of these financial concepts are entirely new to many students, a one-time 30-minute entrance counseling program may not be the most effective method to prepare students for the weight of student loan debt.

Effectiveness of Loan Counseling

Costs associated with getting a college education have been rising steadily over the years, and student loan debt has increased as a result (Johnson et al., 2020). Despite a required 30-minute entrance counseling program, borrowers still lack a rudimentary understanding of their loans and the responsibilities attached to borrowing (Gorin & Tabit, 2016; Mueller, 2014). Often, students underestimate the amount they owe the federal government (Mueller, 2014). A survey indicated that most students could not recall the information provided to them during entrance counseling (Jensen, 2014; Lusardi, 2019). Students indicated that they were aware that the funds must be repaid; however, they could not answer basic questions regarding interest that accrues on loans, information on deferment options, or the various repayment plans available to them (Fernandez et al., 2015).

Further research indicated that the federal student loan entrance counseling program was tedious and outdated in terms of content and design (Fernandez et al., 2016). Lusardi (2019) stated that because numerous students lacked proper counseling, they failed to understand their consequences and obligations. Baum and Schwartz (2015) argued that the financial aid process and the entrance counseling program were entirely too complicated for students to understand and apply, and drastic changes must be made to equip students adequately to make proper financial decisions. Barr et al. (2016) affirmed the complexity of the entrance counseling program and suggested supplemental resources that would increase the overall effectiveness of entrance counseling. Bartholomae et al. (2017) stated that there is limited research on the impact and efficacy of the federal student loan entrance counseling program.

Financial Pedagogy

Financial management is a vital skill that is typically acquired through a form of financial pedagogy. Weng (2018) stated that concepts in financial management are taught to manifold students at divergent levels in high school and college and examined using professional boards throughout various fields of study. Typical concepts taught in financial pedagogy, as documented by Solis (2018), included recognizing the time value for money, compounding, and discounting because students ordinarily face these concepts in their adult lives. The topics examined in financial pedagogy have widely been classified into dividends, investing, and financing decisions (Jacob, 2016; Solis, 2018; Weng, 2018). Oyewo and Olokoyo (2014) noted that these classifications lend credibility to the wide acceptance and relevance of financial pedagogy and why financial pedagogy is prominently featured in curricula for college programs. Lam and Zou (2018) discovered that several students find challenges in understanding financial concepts, evidenced by poor overall performance. Such challenges have led to further research into the difficulties learners face through financial pedagogy and the most productive methods to improve their overall comprehension of finance and financial concepts.

Having financial management skills and basic financial literacy are essential skills to possess; however, questions on the most productive model of financial pedagogy are still being debated today. Behnke (2018) argued that merely providing textbooks as a pedagogy strategy offers little to no support for learners' educational needs. As such, enriching the curriculum by supplementing the text with additional resources, regardless of the means deployed, positively impacts learners' comprehension of financial concepts (Behnke, 2018). Kuntze et al. (2019) found that students grasped financial concepts at a higher rate when educators utilized interactive methods such as videos to collaborate with lectures. Conversely, Feuerstein (2019) argued that simulations, games, and group activities are better teaching methods to increase financial literacy among students.

Primarily, two educational methodologies are employed in financial pedagogy for students at the high school and college level: the conventional method and the rules-of-thumb model (Bhutoria & Vignoles, 2018; Lam & Zou, 2018; Skimmyhorn et al., 2016). Both of these methods improve students' cognitive knowledge measures and the noncognitive knowledge measures of financial efficacy (Jacob, 2016; Skimmyhorn et al., 2016). Students' cognitive knowledge measures refer to perceived and actual knowledge, and noncognitive knowledge measures refer to the will students have to make financial risks, their motivations to learn, and their self-efficacy (Jacob, 2016; Skimmyhorn et al., 2016).

Blue and Grootenboer (2019) stated that the conventional approach is comprised of traditional models utilized in financial pedagogy, which are similar to methods that were utilized in decades past. Furthermore, conventional methods include modified and enhanced lectures, discussions and questions, problem-based learning, teamwork, and group-based learning (Jacob, 2016; Solis, 2018). Skimmyhorn et al. (2016) argued that although the principles-based conventional approach utilized a wide variety of educational methodologies, it was outdated and fell short in equipping students with diverse financial skills, including understanding the time value of money, budgeting, consumption, investing, purchasing insurance, and financial planning for the future.

The rules-of-thumb method focuses on simplified routines or heuristics, and the overall goal of this method is not to gain a comprehensive understanding of financial concepts in their entirety (Skimmyhorn et al., 2016). The rules-of-thumb approach uses a more simplified modern-day teaching model and avoids length and detailed discussions of the underlining theory.

This approach presents pertinent and crucial information and concepts to students (Skimmyhorn et al., 2016). More importantly, the rules-of-thumb method provides learners with the heuristics needed to simplify complicated financial concepts and enables learners to make sound and informed financial decisions. Leeds et al. (2020) defined heuristics as mental shortcuts that help break down complex concepts into simple steps that help in decision-making. Jacob (2016) argued that the rules-of-thumb methodology reduced complicated concepts to manageable and straightforward bits of information, enabling students to learn financial concepts through repetition. Skimmyhorn et al. (2016) asserted that the most effective heuristic models not only encapsulate and teach financial concepts in a manner that is easier to remember but also intuitive to put into practice.

Bhutoria and Vignoles (2018) stated that while many debate which educational methodology is the most effective, there are relatively few differences in the outcomes of both methodologies within financial pedagogy. Notably, the conventional method of education seems to have broader advantages in a student’s self-efficacy, whereas the rules-of-thumb approach reduces a student’s will in seeking advice or assistance in making financial decisions (Skimmyhorn et al., 2016). The conventional method also offers a generalized toolkit compared to the rules-of-thumb approach and is better placed to aid students in preparing to tackle financial dilemmas (Skimmyhorn et al., 2016). However, Bhutoria and Vignoles (2018) asserted that both approaches are equally efficacious in preparing students for issues related to finances.

The research appears to be divided on which financial education method is more effective and should be widely adopted. While Drexler et al. (2014) suggested that such simplification of financial topics improves student behavior in terms of putting learned concepts into practice, Willis (2011) argued that implementing the rules-of-thumb model in financial education would require a substantial investment of time and financial resources. Therefore, there is an evident trade-off between simplifying financial concepts to increase understanding and sufficiently providing detailed lessons to prepare students for future financial decisions they are likely to face. Moreover, the utility of both the conventional and rules-of-thumbs approaches varies significantly according to students' ability to process, learn, and retain financial lessons.

Learning Retention

In financial pedagogy, gaining an in-depth understanding of financial concepts can be attributed to a student's learning retention rate. According to Sorensen and Donovan (2017), the learning retention rate among high school and college students is the education sector's focus. Miller (2017) noted that learning retention and education are synonymous. Education refers to concepts, topics, and lessons that one can recall from a pool of information taught over time (Miller, 2017). Along with lessons a student can recall, lessons that students are not able to recall are equally vital in understanding the learning retention rate. Content taught in school is subject to being forgotten (Chao et al., 2016; Kang et al., 2019). Davis and Zhong (2017) argued that while much focus is geared toward retention, the human brain is wired to systematically forget as well. Richards and Frankland (2017), neurobiologists, stated that field research had produced evidence that the science of transience (forgetting) is often overlooked by persistence (remembering). Moreover, Berry and Davis (2014) stated that the principal goal of memory is to store content and recall content in relevant circumstances and optimize the decision-making process. Central to understanding student learning retention is the forgetting curve and memory persistence.

The Forgetting Curve

The forgetting curve is a concept developed over 100 years ago by a German psychologist, Hermann Ebbinghaus, that describes the rate at which something is forgotten after it is initially learned (Sonnad, 2018). Ebbinghaus made two discoveries when developing the forgetting curve: one, the forgetting curve is initially steep, and the amount of knowledge retained drops almost immediately down; and two, the downward slope of the forgetting curve can be softened by the repetition of learned information (McGarry, 2020; Sonnad, 2018). Humans forget approximately 56% of new information within an hour of learning it, forget 66% of information within the first day, and forget approximately 75% of information within three to five days of exposure (Murre & Dros, 2015; Thalheimer, 2010).

Murre and Dros (2015) conducted a study in the field of learning and knowledge retention, which measured how students often forgot a number of concepts taught to them. In the experiment, it was discovered that due to a lack of cohesive lesson plans that connected theories and concepts to one another and a lack of repetition and reinforcement, students had difficulty recalling a majority of the lesson plans (Murre & Dros, 2015). Chun and Heo (2018) stated that a student's memories of learned concepts could be compared to the likeness of a spider web—strands of information distributed across numerous interconnected neurons. Therefore, when a student grasps new financial concepts through financial pedagogy, the material becomes encoded across neural networks, which converts learning experiences into memories defined as memory encoding (Ryack & Kida, 2006). However, the process of transience, or forgetting, can be attributed to weak strands that have not been reinforced with the repetition of learning experiences (Dobbin & Ross, 2019).

Memory Persistence

The same neural circuitry involved in remembering is also involved in forgetting learned concepts. Therefore, Langille (2019) argued that if teachers and students understand the forgetting curve, they could adopt strategies that reinforce learning financial concepts and lessons and increase memory persistence.

Neuroscientists, based at the Massachusetts Institute of Technology and led by Richard Cho, stated that various methods are employed in memory reinforcement; when neurons are fired, the process of reinforcing synaptic plasticity, one of the most important neurochemical foundations of learning and memory persistence, is initiated (Trafton, 2015; University of Queensland, 2020). Trafton (2015) affirmed that one way of activating neurons to improve memory persistence is repeated exposure to content and concepts. The process of repeatedly accessing a stored memory such as essential facts in history, mathematical formulas, definitions, and financial concepts often rekindles the neural networks that contain that specific memory of a lesson and encodes it deep in one’s memory bank (Langille, 2019; Lisman et al., 2018).

Not all aspects of human memory function equally in the human brain (Persellin & Daniels, 2018). Persellin and Daniels (2018) used examples of two sets of letters, NPXOSK and ORANGES, to explain memory persistence. In this case, the first set of letters appear disjointed and random; however, the second set of letters are understandable due to the repetition forming a deep context of encoded linguistics among learners that can read and speak English (Persellin & Daniels, 2018). Similarly, Pang (2016) affirmed that students that have been exposed to financial education consistently have a higher likelihood of understanding financial concepts.

Knowledge Retention

Students make synaptic connections whenever they learn new information. Studies show that utilizing different methods and materials to study will improve a student’s ability to recall lessons, improve their knowledge retention, and improve the overall learning experience (Letrud et al., 2018). Pang (2016) stated that two scientifically proven ways through which individuals learn and retain knowledge include widening and strengthening neural connections by connecting existing knowledge to newly exposed concepts and lessons and repeatedly accessing those memories consistently over time. Rohrer et al. (2015) argued that utilizing lessons as proverbial building blocks built on a firm foundation is key to helping students retain knowledge. Rohrer (2012) stated that when concepts are built upon one another, it aids learners to recall in a systematic manner that will assist them in real-world decision-making.

Another effective pedagogy strategy for students to learn and retain information is to utilize peer-to-peer mentoring and group activities. In a peer-to-peer setting, information can be consolidated, strengthened, and recalled more effectively (Sekeres et al., 2016). In a study investigating the prevention of transience and the strengthening of persistence, peer-to-peer and group activities fostered active learning and helped students retain lessons and concepts (Sekeres et al., 2016).

Chen et al. (2018) advocated for another pedagogy strategy to help students retain the knowledge of financial concepts: the spacing effect. The spacing effect is a pedagogy strategy in which instead of a teacher opting to cover a topic and immediately moving on to the next topic, they revisit foundational and connecting concepts throughout the school’s calendar year (Chen et al., 2018). Learners perform better on exams and retain information for a longer period when they have multiple opportunities to review the content taught to them (Kang, 2016). Educators conducting regular examinations and scheduling sessions to review material offers students a chance to boost knowledge retention (Adesope et al., 2017; Karpicke, 2016). Karpicke (2016) affirmed that regularly scheduling time to review lessons aids in lowering students' anxiety and stress levels, often linked with the ability to recall learned content.

Social Learning Theory

Many factors impact the learning process and what students grasp and retain as they participate in the federally mandated student loan counseling program. One of the factors that affect learning can be found within the confines of the social learning theory introduced by Albert Bandura in 1977 (Bandura, 1977, 2018; Edinyang, 2016). This approach theorizes that people learn best by observing their peers' or associates' outcomes, attitudes, and behaviors. Edinyang (2016) stated that most human behavior is, in fact, learned through observational modeling. This theory explains human conduct through continued reciprocal interaction between environmental, behavioral, and cognitive influences (Edinyang, 2016). The components or processes of this observational theory include attention, retention, motor reproduction, and motivation (Bandura, 2018).

An individual's past reinforcement of information, perceptual set, arousal level, sensory capacities, functional value, the complexity involved in the task, prevalence, affective valence, and distinctiveness determine the attention level that is present during learning (Bandura, 2018). Learning retention refers to the process of remembering knowledge that was previously taught, and this includes motor rehearsal, mental images, cognitive organization, symbolic rehearsal, and symbiotic coding (Bandura, 2018). Reproduction is the process of recreating and recalling previously stored mental images (Bandura, 2018). Lastly, motivation is defined as the key underlying reason that causes an individual to recall and imitate previously learned content

(Bandura, 2018; Edinyang, 2016). This theory extends across interactive and intellectual frameworks because it encompasses memory, motivation, and attention.

The social learning theory forms a critical theoretical foundation for behavioral modeling techniques involved when students learn financial concepts and participate in the student loan entrance counseling program. Many students are exposed to some form of financial literacy education or money management by observing family or friends. Bandura (2018) stated that social learning theory illustrates how these observations and interactions impact an individual's financial decision-making behavior. Bandura (2018) contended that one's values and attitudes toward finances ordinarily form as a product of their immediate environment, and foundational concepts that impact financial decisions for many years to come are built through interactions with their immediate surroundings.

Constructivism (Constructivist Paradigm)

The constructivism theory was crafted by Jerome Seymor Bruner, John Dewer, Jean Piaget, and Lev Semyonovich Vygotsky (Adom et al., 2016). The theory was built on the foundation that students actively construct their mental framework and knowledge base, and their experiences contribute to their view of reality (Elliott et al., 2000). The constructivist theory heavily relies on an individual's construction of meaning through experiences (Adom et al., 2016). This model is intricately influenced by interactions between new events and prior knowledge (Arends, 1998). Constructivism is based on the principle that knowledge is fabricated in contrast to being absorbed passively.

Through the lens of the constructivism theory, learning is an active process, and students possess knowledge through experiences prior to entering an educational setting (McLeod, 2019). The central idea of constructivism is that human learning is constructed, and learners build new knowledge upon the foundation of previous learning (McLeod, 2019). What was learned previously influences new knowledge an individual will build upon from new learning experiences (Phillips, 1995).

Dewey (1938) stated that the constructivism theory states that all knowledge is socially constructed; it is something individuals do together in interacting with one another. The immediate environment in which people grow up largely influences their thinking (Adom et al., 2016). Vygotsky (1978) affirmed that the community plays a foundational role in the process of individuals finding and constructing meaning from experience. Therefore, all teaching and learning is a product of sharing knowledge (McLeod, 2019). McLeod (2019) stated that all knowledge is also personal and that each learner's distinct point of view is built on existing knowledge and values. Through this perspective, identical lessons may result in subjective interpretations between each student.

Chapter Summary

Chapter 2 was a comprehensive review of relevant literature connected to the impact of federal student loan entrance counseling. This chapter provided deeper insight into the student loan debt crisis, financial literacy, the federally mandated student loan entrance counseling program, financial pedagogy, learning retention, and the social learning theory. Chapter 3 will provide an in-depth discussion of the design and methods utilized to collect data and the analysis process of the collected data.

Chapter 3: Research Method

This chapter describes the research design, the methods utilized to collect data, the coding methods, and the analysis of the collected data. Over 44 million student loan borrowers amassed a total of over $1.5 trillion in student loan debt, with the average student owing close to $37,170 (Friedman, 2020). The study's central phenomenon was the effectiveness of student loan entrance counseling. Data for this study was collected from current undergraduate students and students that have attended university or graduated within the last five years.

Purpose

This qualitative case study's purpose was to understand better the perspectives of current and former undergraduate students who have taken part in the federal student loan entrance counseling program. The primary goal of this study was to understand the experiences that students had with the federal student aid process and describe what they understood and recalled from the entrance counseling segment of the process. This study focused on the experiences and perceptions students had while taking student loan entrance counseling. Through this study, I aimed to identify how effective the counseling process was and how the program impacted borrowing decisions.

Research Questions

The following research questions helped guide this study:

RQ1: How do existing and former undergraduate students perceive the student loan application process and student loan debt?

RQ2: How do existing and former undergraduate students feel entrance counseling shaped their borrowing decisions?

Theoretical Perspective and Epistemology

A collaboration of the constructivist and social learning theory was the bedrock of this study. Yin (2011) based the approach to the case study on constructivist paradigms, stating that truth is relative and dependent on an individual's perspective. The constructivist perspective is that experience is the primary teacher and is how individuals learn. This theory contends that an individual's cognitive and social development is built through their interactions and experiences (Denzin & Lincoln, 2011). According to the constructivism theory, one's reality is socially constructed. Yin (2011) stated that constructed knowledge is founded within the social constructivism theory and that the sources that build a person's identity include personal experiences and local models within the larger society. Exposure to a variety of individuals that possess their own knowledge, values, and beliefs impacts one's own knowledge, values, and beliefs. According to Berger and Luckmann (1966), all knowledge, including some of the most basic principles and knowledge, is derived and continually shaped by experiences. Through the lens of this theory, relationships that individuals have contributed to their development and base of knowledge in some way.

This study was framed with the core concepts of the social learning theory because it explains how individuals learn new behaviors. Education is not only the process of receiving systematic instruction, but it is also the setting for experiences that shape an individual's base of knowledge, values, and beliefs. How information is disseminated to students, the psychological factors of cognitive learning and the environmental stimuli of behavioral learning contribute to a students' development and future decision-making. Bandura (1977) formulated the social learning theory by integrating cognitive learning and behavioral learning, stating that observation is a core requirement for learning. This interactive approach to learning is known as the social learning theory. The center of the social learning theory combines behavioral learning and cognitive learning theory (Bandura, 1977). Bandura (1977) affirmed that the social learning theory further stated that learning could occur through instruction and observation. The concepts within this theory were utilized to understand students' perspectives of borrowing student loans and the entrance counseling experience.

Design and Methodology

This study's purpose was to explore and explain students' perspectives; therefore, a case study approach was utilized. Four conventional qualitative research methods are available: phenomenology, grounded theory, ethnography, and case study (Creswell, 2009). Stake (1995) stated that a case study is especially appropriate for informative, explanatory, and exploratory research when researching a phenomenon. Creswell (2009) affirmed that a case study is appropriate when posing questions connected to their context or situation.

The objective of using a case study approach in research is to utilize multiple data points to identify contextual explanations and develop an understanding of the phenomena. Stake (1995) argued that in order for a case study to explore and explain perspectives, data must be used as a tool to understand the case itself. In higher education studies, case studies are often the research methodology used (Yin, 2011). Pertinent to the central problem and research questions guiding this study is the problem and questions can be used as pivot points to improve the current condition (Helmstadter, 1970; Merriam, 1988).

The case study approach can be used to bring light to circumstances and situations in which evaluating components of the study do not produce identical outcomes across the board. This methodology is a practical inquiry centered on a real-world contemporary phenomenon where there is no clear line between the phenomenon and its context (Yin, 2011). Typically, the case study approach comprises various data sources that allow a researcher to gain more in-depth insight by looking at the research questions from multiple viewpoints.

There are several ways data can be collected within the case study design. Bogdan and Biklen (2007) stated that data-collection methods could be customized based on surrounding conditions and unique situations. The case study design is predominantly used to look within an experience or phenomenon and derive and understand its meaning (Yin, 2011). Merriam (1988) stated that a case study's objective is not to affirm or refute a study's hypothesis. Overall, the case study design provides a robust multiperspective depiction of the event within a real-world context (Remenvi et al., 1998).

A vital component of case study research is participant interviews (Creswell, 2009). Interviews positioned with multiple open-ended questions help the researcher dive into the central topic and allow the researcher to ask follow-up questions. Creswell (2009) stated that case study interviews would ultimately be a conversation between the researcher and participant due to open-ended questions. An interview will record the experiences that participants have. The interview transcript can then be categorized by themes that give the researcher insight into both the how and why of those experiences. The ability to customize this research design to the given situation, not having to affirm or refute a hypothesis, and to ask open-ended questions to get in-depth insight are why the case study method is the most appropriate approach for this study.

A qualitative multicase study design was used to examine the study's research questions. Merriam (1988) defined case studies as a process of exploring a specific event or phenomenon, such as a program or institution. While the phenomenon itself is central to a study, the context in which the phenomenon is situated was equally vital to a study. How its setting influences an event can help one understand that event (Creswell, 2009; Yin, 2011). Stake (1995) stated that the case study approach uncovers the intricacies of the case by examining the phenomenon within its context. The context in which the phenomenon is in is essential because the boundaries between student loan debt and the impact that federal student loan entrance counseling has on student loan debt are not clear. For this reason, utilizing a multicase study design was the most practical approach.

Once the case has been established, parameters must be put in place so that the study does not deviate from the central phenomena, and the researcher must consider what the case will not be (Yin, 2011). The study must remain reasonable in scope (Creswell, 2009; Stake, 1995; Yin, 2011). Stake (1995) stated that the primary way to ensure that the study will remain reasonable in scope is binding the case. After delimiting the focus of the study, binding a case helps the researcher stay centered on the study and minimizes asking and answering questions that are too broad (Yin, 2011). This study did not delve into factors that impact borrowing decisions beyond the scope of student loan entrance counseling. This study was restricted to current undergraduate students and students who have graduated from a four-year college in the last five years.

Case Setting

The setting for this case study was two states in the South Central region of the United States: Oklahoma and Texas because, as of 2019, Oklahoma residents owed over $13 billion in student loans, and Texas residents owed over $100 billion in student loans (Malinsky, 2019). With an extensive network of university students and graduates in both states, I recruited 20 participants for this study.

This qualitative case study was bound by region and the specific subject matter of student loan entrance counseling. As previously stated, this case study was set in Oklahoma and Texas. As a financial advisor, I serve many families in Oklahoma and Texas looking to plan their financial futures and their children's futures. I also advise students in both states that are considering borrowing student loans to attend college. There is mention of past student loan debt in almost every client meeting and how the debt has caused missed opportunities for purchasing homes, vehicles, and annual family vacations. The numerous client interactions made it clear that there was a fundamental disconnect in understanding student loans and the responsibilities that accompany borrowing, concepts covered through the federally mandated student loan entrance counseling program. Therefore, providing that context affirmed the case's setting in Oklahoma and Texas.

Participants

The participants selected for this study were undergraduate students who have accepted federal student loans and students who have accepted federal student loans and graduated from a four-year university in the last five years. Undergraduate students included in this study had to have satisfactory grade point averages (GPA), which is a requirement to continue receiving student aid. According to the federal government's Satisfactory Academic Progress (SAP) policies, undergraduate students must maintain a 2.0 GPA or higher and complete at least 67% of their coursework to continue receiving federal student aid (United States Department of Education, n.d.).

In qualitative research, purposeful sampling is a well-established method utilized to identify information-rich cases related to the phenomenon of interest (Palinkas et al., 2015). Sampling for this study was purposive sampling based on specific criteria. This involved selecting individuals with specific knowledge or experiences with the phenomenon of interest (Creswell & Clark, 2011). In addition to knowledge and experience, Bernard (2002) noted how important it would be that participants are available and willing to take part in the study and be able to communicate their experiences and perspectives articulately and reflectively. The participants were intentionally chosen to produce the most pertinent data associated with the topic of study (Yin, 2011).

After identifying the region and group of individuals that would be participating in the study, approval was required by the institutional review board (IRB). Upon final IRB approval (see Appendix A), college students and individuals who graduated from college within the last five years were recruited to participate in the study. I collaborated with Intervarsity, Intercollegiate Prayer Fellowship, and Chi Alpha to help publicize the study and recruited participants during sponsored events. Digital flyers and social media posts were utilized to recruit participants within my Oklahoma and Texas network.

The initial goal was to recruit 20 participants: 10 undergraduate students and 10 students who had graduated from college within the last five years. Once participants indicated an interest in taking part in the study, each individual was asked to complete the informed consent form, which provided consent for interviews to be recorded. Once consent was received and recorded, participants were given an initial screening questionnaire (see Appendix B), which consisted of questions that ensured that respondents are current undergraduate students or students who have graduated within the last five years and that either category of individuals had utilized the federal student loan program.

Data Collection

The sources of data collection for this study were surveys and interviews. Surveys were utilized to ensure potential participants met the requirements of either being a current university student or had graduated from college within the last five years and had participated in the student loan entrance counseling program. After the round of surveys was completed, one-on-one, in-depth interviews through Zoom were conducted with each participant. In qualitative case study research, one-on-one interviews are the most often used method (Merriam, 1988). Merriam (1988) stated that interviewing is a dynamic tool that allows the researcher to dive into respondents’ experiences and perspectives.

This type of interview setting allowed me to structure questions to gain a more in-depth understanding of each participant’s responses. Furthermore, interviews helped me collect details of respondents’ perceptions and experiences that answered the why and how of the research questions. Interviews help researchers understand a participant’s thoughts and feelings of previous events because in-person observations from a previous point in time are not possible. To best understand the participants’ perspective, broad and open-ended questions were asked so that I could employ inductive reasoning from which themes were developed.

For this study, semistructured interview questions (see Appendix C) were open-ended to gain significant insight into students’ experiences and perceptions throughout the federally mandated student loan entrance counseling program and how that program impacted each individual’s borrowing decisions. This semistructured interview allowed for a better flow of conversation as each individual provided insight into their views, experiences, and perspectives (Merriam, 1988).

Analysis

Each interview was followed by preparing a reflective journal consisting of each participant's interview responses and providing additional data to give context to participants' responses. Reflecting on the interview responses allowed me to elaborate on the emotion, feelings, and nonverbal communication throughout each interview (Denzin & Lincoln, 2011). Therefore, using a reflective journal supports the overall qualitative nature of the study (Creswell, 2009).

After completing the participants' interviews, recordings of each interview were transcribed through a software-based transcription service. This service transcribed, captioned, and subtitled all content provided in one simple interface. When the transcripts were returned, they were printed and reviewed. Creswell (2009) stated that raw transcriptions of interviews would require multiple reviews to understand better and interpret student perceptions and experiences with the federally mandated student loan entrance counseling program and how that program impacted borrowing decisions. As each interview was reviewed, the transcripts were coded as well.

Layered coding was conducted to ensure that the transcripts were thoroughly reviewed and all the relevant data was considered. Open coding was the first step in reviewing the interview transcripts (Creswell, 2009). Through open coding, the goal was to complete a detailed review of interview transcripts and analytically break it down into smaller bits of data. Next, transcripts were reviewed and interpreted in the second cycle of coding, and relevant words, phrases, frequent patterns, sentences, sections, and themes were identified and labeled with codes. The third cycle of coding, axial coding, was the final stage in condensing the data (Creswell, 2009; Yin, 2011). Through axial coding, I found connections between the codes and determined broader themes. The final step of coding was selective coding (Yin, 2011). As themes emerged through axial coding, categories were created from the coded data through selective coding.

A general inductive approach was utilized for the analysis of qualitative data to produce reliable and valid findings. By using this approach, I summarized the overall data and connected the evaluation or research objectives and the summary findings derived from the raw data (Stake, 1995). The general inductive approach provided a simple, straightforward approach for extracting findings in the context of research questions.

Trustworthiness

Trustworthiness within a qualitative study is referred to as having validity and reliability. Also known as the rigor of a study, trustworthiness is the degree of confidence in the data, analysis, and methods used to produce a quality study (Polit & Beck, 2014). Lincoln and Guba (1985) stated that dependability, credibility, confirmability, and transferability are the foundational components that establish the trustworthiness of qualitative findings. It was vital to establish trustworthiness to evaluate the study's quality.

The credibility of the study, or ensuring confidence in the truth of the findings, is the essential criterion for establishing trustworthiness (Connelly, 2016; Polit & Beck, 2014). Dependability refers to the consistency and stability of the data over time (Morrow, 2005). Confirmability is the degree of objectivity or neutrality in the study and its findings (Connelly, 2016). Transferability is the degree to which results and findings are relevant and useful in other contexts or settings (Polit & Beck, 2014). Trustworthiness was established for this qualitative study using the guidelines and evaluative techniques outlined by Polit and Beck (2014), Connelly (2016), and Morrow (2005).

I first field-tested the interview questions with a couple of members of the target population and gathered feedback on how to improve the interview questions and process overall to ensure trustworthiness. After implementing changes based on the field-test feedback, I collected data and then triangulated that data (Merriam, 1988; Yin, 2011). The sample size of participants was set to 20 individuals to obtain adequate data. Data collected from all sources was transferred to transcripts to be reviewed by an additional independent reviewer and me. Then the synthesis and triangulation method was utilized to strengthen the quality and credibility of the data. A further measure to ensure trustworthiness was that each participant reviewed their own interview transcript, referred to as member checking. Member checking is a technique in which results are returned to respondents to ensure accuracy and resonance of each individual's perspectives and experiences (Birt et al., 2016). In this study, participants reviewed their own transcripts and had the autonomy to make corrections to ensure the collected data's full accuracy. Finally, the last step I took to uphold and establish the study's trustworthiness was utilizing professional peer-reviewers to assist in evaluating all of the collected data.

Limitations

Limitations are influences that the researcher cannot control. Self-reporting was the primary limitation or influence within this study that could not be controlled. This study's primary purpose and goal was to understand the impact of the federally mandated student loan entrance counseling program and individual perspectives concerning the counseling program. As a result, this case study was not purposed to generalize. Creswell (2009) stated that most qualitative studies, in fact, do not aim to generalize. This study did not pursue or utilize quantitative or statistical considerations. Instead, it focused on students' experiences in the student loan entrance counseling program and how the program impacted borrowing decisions.

For this study, respondents self-reported. Therefore, this study leaned on reliable and honest reporting of individuals' accounts, experiences, and perspectives of the student loan entrance counseling program.

Delimitations

Delimitations are the parameters of the investigation. In this study, the primary delimitation was students who were not eligible to participate due to not fitting the study's parameters. This study did not include college data from students who attended two-year colleges, students who did not participate in the entrance counseling program, and students who graduated from a four-year university more than five years ago. The focus of this study was on the student loan entrance counseling program; therefore, to participate, students had to fulfill the following requirements:

1. Participants had to currently be attending a four-year university or had graduated from a four-year university within the last five years.
2. Participants had to have already participated in the federally mandated student loan entrance counseling program.
3. Participants had to have already accepted federal student loan funds to attend a four-year college.

Ethical Considerations and Chapter Summary

The following ethical considerations were strictly implemented. All participants were fully informed of the research that was conducted. Participants were made aware of the purpose of the study, how data would be collected, and how that data would be utilized. All participants were recruited voluntarily, free from coercion and harm. All study participants were kept anonymous and fully confidential, and pseudonyms were utilized to reference participants' responses.

This chapter covered the study's research design. The purpose of the qualitative study was covered, and the research questions were introduced. The theoretical concept of social learning was included, and the case study methodology was outlined. This chapter also outlined the setting and the participants interviewed. Finally, the plan for collection, coding, and analyzing the data were detailed.

Chapter 4: Results

Over the last decade, the exponential increase of student loan debt has become a cause for concern in America. In 1965, the federal student loan program was established with an initial budget of $15 million (Best & Best, 2014). In 2020, the student loan debt increased to over $1.56 trillion (Debt.org, 2020). Today, student loan debt impacts students far beyond the four walls of a college classroom. For many students, student loan debt will possibly be the largest expense they incur in early adulthood. The responsibilities of student loan debt weigh heavily on many. While there may be students that are able to get access to higher education without incurring student loan debt, over 44 million borrowers amassed a total of over $1.5 trillion in student loan debt (Friedman, 2020).

When students decide to finance their college education through the federal loan program, they fill out the Free Application for Federal Student Aid (FAFSA) form. Prior to getting access to the approved student loan amount, students are required to participate in a 30-minute mandatory student loan entrance counseling program completed online (Cooley, 2013). The purpose of this qualitative case study was to understand better the perspectives of current and former undergraduate students that had taken part in the federal student loan entrance counseling program. The primary goal of this study was to understand the experiences that students had with the federal student aid process and describe what they understood and recalled from the entrance counseling segment of the process. In this study, I focused on the experiences and perceptions that students had while taking student loan entrance counseling. The central research question of this study was: How does the federal student loan entrance counseling program equip borrowers to make well-informed borrowing decisions about student loans? The following questions helped guide this study:

RQ1: How do existing and former undergraduate students perceive the student loan application process and student loan debt?

RQ2: How do existing and former undergraduate students feel entrance counseling shaped their borrowing decisions?

Summary of the Research

The research was conducted using a multicase study approach. Each participant was given a pseudonym, and each case was individually analyzed. Then I compared each case using cross-case analysis. Prior to interviewing the study candidates, a pilot study was conducted with two current undergraduate students and one graduate student, all three of whom had taken part in the federal student loan entrance counseling program. The pilot study was utilized to test the preinterview survey questions and the interview guide (see Appendix C) to ensure the questions assisted in gathering the most appropriate and relevant information necessary for this study. The pilot study validated the study instruments and helped refine the process to conduct the study effectively and efficiently with the potential candidates.

Next, I reached out to network organizations at universities located in Oklahoma and Texas to recruit participants for this study. Thirty-seven current students and former students expressed interest. After emailing each potential candidate the study solicitation message, I received signed informed consent forms from 26 participants. From that point, I utilized SurveyMonkey to send preinterview surveys to all potential participants (see Appendix B). After reviewing the responses, 20 individuals met the established sampling criteria. For the purpose of anonymity, pseudonyms were used for each participant.

In this study, I interviewed two groups of participants via Zoom: current undergraduate students using federal student loans to attend college and individuals that graduated college within the last five years that also used federal student loans. Interviews were carried out using semistructured questions to provide space for participants to elaborate on their perspectives and experiences. Each interview was recorded, transcribed, and member checked for clarity, accuracy, and validity.

All study participants were open and transparent with how student loan debt had impacted their lives. Many of the student participants expressed that student loans were the sole alternative for them to be able to attend university and get a college education. The participants had well-defined goals and hopes for the future, and these goals and hopes were built on the foundation of a college education. Although the participants used federal student loans for college, they discussed their lack of understanding of the costs associated with attending a four-year university. Many participants communicated how vital a college education was to them but felt ill-equipped for the financial responsibilities attached to borrowing student loans. A few participants perceived student loans as a positive tool that helped them get an education and provide for generations before and after them.

All the study participants in Group 1 were currently enrolled in a four-year university, taking 12 or more credit hours this semester, and were recipients of federal student loans. All the study participants in Group 2 had attended and graduated from a four-year university within the last five years and were recipients of federal student loans.

The following sections will provide a brief overview of each participant. Next, I will discuss the study’s findings by connecting the data collected through interviews and analyzing the transcripts.

Overview of the Participants

This qualitative case study included interviews and discussions with 10 current undergraduate students who participated in the federally mandated student loan entrance counseling program and 10 former undergraduate students who graduated after 2016 and also participated in the same entrance counseling program. Through an open-ended interview structure, I explored participants' thoughts, feelings, experiences, and perspectives of the student loan entrance counseling program, how they felt the program impacted their decision to borrow student loans, and how they described their ability to recall details from the entrance counseling program.

Group 1 Participants

Participant 1: Jenny, Age 20

Jenny was a current undergraduate student at a four-year public university in Oklahoma. At the time of the study, she was a full-time student taking 17 credit hours. Jenny was fully dependent on federal student loans as a means to attend college and finish her undergraduate studies. She was the first person in her family to attend college, and student loans were the only option she was aware of to pay for school. She lived at home and commuted to college daily. Her parents wanted her to focus solely on college, so she did not have a job to provide any supplemental income. Jenny believed that getting her degree would help her build a life for herself, help her parents, and help her future family.

Jenny articulated that she was quite overwhelmed by the FAFSA application and the entire process involved in applying for federal student loans. When it came to the required entrance counseling part, she stated that the program was somewhat of a blur. Her focus was simply on getting the funding necessary to go to college, so the details involved were not clear to her. She also stated that because she was the first in her family to go to college, she did not have anyone to go to for help to walk her through the process. Jenny communicated that she did not know where to start in terms of asking questions for help or what questions to ask.

Participant 2: Nick, Age 18

At the time of the study, Nick was an undergraduate student at a four-year public university in Texas. He was a full-time student with 15 credit hours. Nick had just finished the first semester of his undergraduate program. He was awarded a partial scholarship to attend college and used federal student loans to pay for the remainder of his college education. Nick was the youngest of three in his family, and his older siblings both went to college. Getting a college degree was not part of a multilevel plan for Nick; it was the only plan. Nick's parents had instilled the value of a college education in him, and he was pursuing his degree because of those values.

Nick had witnessed firsthand the financial aid process before because both of his siblings went through the same process. Nick's parents were also aware of the process because they helped their other kids fill out the forms. Nick's siblings helped him fill out the forms and took the entrance counseling program for Nick. Nick reluctantly admitted that he did not take part in the student loan entrance counseling program at all.

Participant 3: Alex, Age 21

At the time of the study, Alex was a current undergraduate student at a four-year public university in Texas. He was a full-time student taking 16 credit hours. Alex had been working part-time since he was in high school. Alex was the oldest of seven children, and his parents immigrated to the United States in the late 1970s. Although Alex made income from his job, he used a significant portion of that income to support his family financially. His father was not currently employed, so the family relied significantly on Alex’s income. Alex paid for his college education entirely with federal student loans.

Being the oldest of the family and the first one to attend college, Alex had little to no guidance when applying for federal student loans. Alex spoke to a few older graduates from his church to gain an understanding of how to apply for federal student loans. Alex communicated how confused he was throughout the entire process and how he did not truly understand a majority of the financial verbiage used in the entrance counseling program.

Participant 4: Shan, Age 19

At the time of the study, Shan was a current undergraduate student at a four-year public university in Oklahoma. He was a full-time student taking 12 credit hours. Shan was an only child and had been working since he was 16 years old. Shan continued to work part-time as he attended college full-time. Although Shan was approved for some grants, he had to borrow federal student loans to pay for most of his higher education. Shan was depending on his degree in nursing to lift his family from living paycheck to paycheck; therefore, he believed student loans were a necessary tool to achieve his overall goals.

Shan’s high school friends and family friends helped him navigate the FAFSA process. Shan articulated how much information the entrance counseling program provided in such a short time and that he immediately felt that he would not be able to recall the information. Shan stated that he tried to focus on the important aspects of the counseling process to understand better what his options and responsibilities would be when the loan payments were due after graduation.

Participant 5: Naomi, Age 21

At the time of the study, Naomi was a current undergraduate student at a four-year private university in Oklahoma. She was a full-time student in her junior year of university. Naomi was the youngest of four siblings and determined to become a successful pediatrician. She came from a family full of physicians, so she felt that this was the obvious path for her as well. Because her siblings had all taken advantage of the federal student loan program, Naomi was familiar with the process of applying. She communicated that she did not particularly pay attention to the details because she could simply ask her parents or siblings if anything was too complicated.

Participant 6: Tiffany, Age 20

At the time of the study, Tiffany was a current undergraduate student at a four-year public university in Oklahoma. She was a full-time student in her sophomore year. Tiffany stated that her student loan application and counseling program experience was not something she put too much emphasis on. She stated that she felt it was simple enough to borrow money and then make payments after she graduates. Tiffany felt like there was too much information to grasp in such a short time, so she just focused on making sure she had the funds she needed to attend college.

Participant 7: Nathan, Age 22

At the time of the study, Nathan was a current undergraduate student at a four-year public university in Texas. Nathan was a full-time student in the final year of his undergraduate program. After high school, Nathan wanted to take a few years off to save up for college; however, his parents urged him not to take time off because the perception to the South Asian community would be that Nathan did not get accepted into college. Although Nathan did not want to borrow federal student loans, he could not afford to attend college without applying for student loans.

Nathan communicated that he had always been very responsible with his finances and paid very close attention to the requirements and responsibilities that come with borrowing loans. Nathan communicated that he does not recall all of the nuances of loan repayment but will be taking a closer look at the repayment options in the coming months because his repayment period will begin next year.

Participant 8: Jessica, 17

At the time of the study, Jessica was a current undergraduate student at a four-year public university in Oklahoma. Jessica was a full-time student that had just completed her first semester of college. College was something Jessica had been looking forward to for quite some time. She communicated how eager she was to start her higher education journey and eventually become an attorney. Jessica was accepted into a few universities but chose this specific four-year public university in Oklahoma because the cost was just a little more than half of what it would cost to attend the other universities she was accepted to. Jessica knew in high school that her family would not be able to support her financially for college, so she started researching grants, scholarships, and student loans early in high school. Jessica received some grant money, but a majority of her college education will be paid with federal student loans.

Jessica researched federal student loans while she was in high school, so she felt that she had a good grasp on the whole process; however, she communicated that she felt somewhat lost when applying for the loans. Jessica admitted that by the time the master promissory note (MPN) was filled out and she arrived at the mandatory federal student loan entrance counseling program, fatigue had set in, and she simply clicked through the program until it was completed.

Participant 9: Sabot, 19

At the time of the study, Sabot was a current undergraduate student at a four-year private university in Sherman, Texas. Sabot was a full-time student completing his second year of university. Sabot was the oldest sibling in his family. He was a first-generation college student. His family immigrated to America when he was very young.

Sabot could recall all the details of his student loan entrance counseling program and was grateful for student loans and the ability to borrow funds to attend college. His parents never had the opportunity to become educated, so he was working hard to become a physician and provide for his entire family.

Participant 10: Parker, 20

At the time of the study, Parker was a current undergraduate student at a four-year public university in Texas. Parker was a full-time student in her final year of undergraduate studies. Parker's main focus had always been to graduate college and go to pharmacy school. She knew she would have to borrow student loans to achieve her dream of becoming a pharmacist. In terms of student loans, she was not concerned with the details of borrowing because she knew she would have to pay it all back, plus interest.

Parker was the youngest of three siblings but the first person in her family to attend college. She was confident that her job as a pharmacist would be able to pay off her student loans and help provide for her entire family. She stated that student loans were necessary, and without the loans, she would not be able to help her family.

Group 2 Participants

Participant 1: Anoop, 25

Anoop graduated with his undergraduate degree four years ago from a four-year public university in Texas. Anoop was the son of two highly educated and accomplished parents, so education was always valued in his house. Anoop stated that his dad, who holds a Ph.D., would not entertain the idea of Anoop doing anything other than pursuing his undergraduate degree and continuing to postgraduate studies. Anoop was awarded some scholarship funds for college, but federal student loans funded a majority of his undergraduate degree.

As a finance major, Anoop did not take federal student loans lightly. He communicated that the entire process intimidated him; however, that sense of fear of borrowing forced him to be incredibly meticulous in understanding the rights, responsibilities, and requirements associated with borrowing federal loans. Anoop stated that his finance background helped him understand more than the average student would understand. Anoop proudly stated that he was now on pace to pay off all of his student loans by the end of 2021.

Participant 2: Regi, Age 26

Regi graduated with his undergraduate degree three years ago from a four-year public university in Oklahoma. Regi received his degree in biology and is now in medical school. As a first-generation college student in his family, Regi wanted to be successful in his education so he could establish himself in a stable and lucrative career. He articulated that he always felt the pressure to provide for his family and create a legacy for his future family. Regi stated that going to college and becoming a doctor was the best route to achieve those goals.

As a first-generation college student with little income, Regi communicated that student loans were the only way he would be able to attend college. He stated that he was still taking out loans for medical school and simply trying not to think about the accumulating debt he would be facing on the other side of his education. Regi tried to think back to the federal student loan entrance counseling program and stated that he could vaguely remember being given instructions on accepting and repaying the federal student loans.

Participant 3: Tony, Age 24

Tony graduated with his undergraduate degree one year ago from a four-year private university in Oklahoma. Tony received his degree in accounting and is currently pursuing postgraduate studies to become a certified public accountant. Tony’s father is an accountant and owns his own accounting firm. Tony’s goal is to be mentored by his father and eventually take over the company. Tony stated that finance and accounting is the path he always knew he would be on because he wanted to continue the legacy of the family business.

Tony’s parents partially funded his college education, and federal student loans funded the remainder. As the son of an accountant, Tony stated that his father started teaching him throughout high school to be prepared for student loans and not to abuse the use of borrowed money. Tony’s father walked him through the application process, took additional time to go further in-depth during the student loan entrance counseling program, and then kept a close eye on the total debt and interest rates by reading through each quarter’s loan statements.

Participant 4: Robin, Age 27

Robin graduated with her undergraduate degree in kinesiology four years ago from a four-year public university in Texas. Robin, who played sports her entire life, desired to pursue a career that would keep her connected to athletics and sports, so she is continuing her education in physical therapy school. Robin knew early on that she would need financial assistance to attend college. When it came time for her to fill out her loan applications, she stated that she did not want to be concerned with money while she was in college. Robin also said that all her friends were also applying for student loans, so she felt that student loan debt was just something everyone had to deal with.

Participant 5: Tina, 23

Tina graduated with her undergraduate degree one year ago from a four-year public university in Oklahoma. Tina stated that college was not always the goal for her. She did not really enjoy high school, and she did not think her grades would be good enough to get into college. She initially wanted to go to a technical or trade school; however, her friends and school counselors urged her to consider her degree options at a four-year public university in Oklahoma. Tina's college education was fully paid for by federal student loans. Tina admitted that she really did not know what she was getting herself into. She stated that at the time, it felt like it was free money, so she took as much as she could. Tina said that she was starting to get payment notifications for her loans and felt like she would be making payments toward this debt for the rest of her life.

Participant 6: Kayla, Age 28

Kayla graduated with her undergraduate degree five years ago from a four-year public university in Oklahoma. Kayla was the oldest of four and the first one in her household to attend college. Kayla stated that she was obsessed with art growing up and that passion followed her into her career path. She graduated with her degree in digital design and is combining art and business as a marketing director at her company.

Kayla paid for college completely with federal student loans. She stated that she knew there would be no other way to attend college without student loans. Kayla stated that if she had

had an accurate picture of what the overall debt would be after graduation, she would have taken some time off and worked to pay for college on her own.

Participant 7: Richard, Age 25

Richard graduated with his undergraduate degree three years ago from a four-year public university in Texas. Richard was the only child of a single-parent household and was a first-generation college student. Richard moved to the United States when he was in middle school. He stated that his family immigrated with the hopes of him having more opportunities in America than he would have had in his home country.

Although Richard worked part-time, he had to apply for federal student loans to fully pay for his college education. Because he did not know many people in America at the time and had no guidance when applying for loans, Richard communicated that he felt overwhelmed and made incredibly uneducated decisions. When referencing the student loan entrance counseling program, Richard remembered having to take some type of quiz before the funds were distributed but could not recall specifics. Richard stated that looking back, he wished he had done more research on student loans.

Participant 8: Elizabeth, Age 26

Elizabeth graduated with her undergraduate degree four years ago from a four-year private university in Texas. She was the youngest of three, and both of her older siblings graduated from the same university from which she graduated. Elizabeth always knew she would be going to college to be a physical therapist just like her father. Elizabeth communicated that student loans always felt like a necessity and that there was no way around it. She stated that her siblings used their student loans to pay for everything in college, so that was the example she had as well. When applying for student loans, she applied for the maximum amount. Elizabeth stated that she probably should have paid more attention to the entrance counseling lesson, but upon reflection, she thinks she was just excited to get the loans and start her college life. Elizabeth is now making payments on her student loan debt and feels that she was incredibly irresponsible with her student loans.

Participant 9: Eric, 27

Eric graduated from a four-year public university in Oklahoma four years ago. He completed his residency program and is now an attending physician. Eric stated that his family always looked to him to become the college-educated person in the family, and he always felt the pressure to take care of his parents and younger siblings.

Eric stated that he was grateful for the federal student loan program because it allowed him to go to medical school. He believes he would not be in the position to provide for his parents and siblings if not for student loans. His borrowing decisions were made based on the belief that his salary as a physician would more than help him repay his loans and take care of his family. Eric also stated that although loans helped him, he felt that neither his high school education nor the entrance counseling program prepared him to borrow such a large sum of money, especially the amount he received for medical school.

Participant 10: Kimberly, 26

Kim graduated from a four-year private university in Oklahoma four years ago. Looking back, Kim stated that she felt incredibly unprepared for student loans. She stated that she felt like she was not properly educated to understand and handle repaying a large sum of money.

Kim is currently making the minimum payments on her loans but feels she is not seeing the amount decrease whatsoever. She stated that if she could go back and do it again, she would work a part-time job to pay for school and would only apply for student loans if she absolutely needed to.

Participant Summary

The study participants shared their feelings, perspectives, and experiences with the federal student loan process and the federal student loan entrance counseling program. Many participants expressed hope that this study would inform and educate future generations of student loan borrowers and possibly be a catalyst for changes in government policies that impact student lending practices. Each participant was eager to share their stories and viewed this research study as imperative, given the current student loan debt crisis. The findings will give insight into the participants' federal student loan entrance counseling experiences, their perceptions of the counseling program and student loan debt, and how that experience impacted borrowing decisions.

Findings

The following section will discuss key results and findings from this research study. The findings are a result of coded interview transcripts that have been separated into categories. Each category is comprised of responses that are combined from all participants' interviews. The categories of the primary findings are participants' general emotional condition, loan terminology, length of the counseling program, being prepared, and recollection.

Table 1 displays all the undergraduate student participants who had taken part in the federal student loan entrance counseling program. The table shows each participant's pseudonym, age, gender, the university they attended, classification according to earned credit hours, and the range of student loan debt incurred thus far. Table 2 displays all the participants who graduated from a four-year university within the last five years and took part in the federal student loan entrance counseling program. The table shows each participant's pseudonym, age, gender, the university they attended, years since graduation, and the range of student loan debt incurred.

Table 1

Participants' Information: Undergraduate Students

Pseudonym	Age	Gender	University	Classification	Loan range
Jenny	20	Female	UCO	Junior	25K–50K
Nick	18	Male	UT Austin	Freshman	Under 25K
Alex	21	Male	UT Dallas	Junior	25K–50K
Shan	19	Male	UCO	Sophomore	Under 25K
Naomi	21	Female	OCU	Junior	50K–75K
Tiffany	20	Female	OSU	Sophomore	25K–50K
Nathan	22	Male	UNT	Senior	75K–100K
Jessica	17	Female	UCO	Freshman	Under 25K
Sabot	19	Male	Austin College	Sophomore	25K–50K
Parker	20	Female	UNT	Senior	50K–75K

Note. Names of universities listed: University of Central Oklahoma (UCO); Oklahoma City University (OCU); University of North Texas (UNT); and Oklahoma State University (OSU).

Table 2

Participants' Information: Postgraduates

Pseudonym	Age	Gender	University	Years Since Graduation	Total Loans
Anoop	25	Male	UT Arlington	4	75K–100K
Regi	26	Male	OU	3	100K–150K
Tony	24	Male	SNU	1	75K–100K
Robin	27	Female	TWU	4	75K–100K
Tina	23	Female	UCO	1	50K–75K
Kayla	28	Female	OU	5	75K–100K
Richard	25	Male	UNT	3	50K–75K
Elizabeth	26	Female	TCU	4	100K–150K
Eric	27	Male	OU	4	Over 150K
Kimberly	26	Female	ORU	4	100K–150K

Note. Names of universities listed: University of Oklahoma (OU); Southern Nazarene University (SNU); Texas Woman's University (TWU); and Oral Roberts University (ORU).

Preinterview Survey Findings

The preinterview survey was used (a) to collect demographic information from participants and (b) to ensure each participant met the requirements to be included in this study. The first two questions collected the participant's gender and age. Next, qualifying questions were asked regarding which university the student attended and if they accepted federal student loans to pay for college. The final questions asked participants to indicate the total range of their federal student loan debt and if they took part in the 30-minute federal student loan entrance counseling program.

Interview Findings

The interview questions asked participants to reflect on their student loan experiences, their perceptions of student loan debt, their financial training and understanding of student loans, how they would describe the student loan entrance counseling program, and how the counseling program impacted their borrowing decisions.

Jenny's experience was overwhelming for her. She stated, "I did not know where to start, what questions to ask, or who to go to when I needed help." She felt that the entire entrance counseling process was a blur, and she could not recollect most of the counseling program. As the first in her family to attend college, Jenny felt incredibly underprepared to handle student loans. She stated that she "wished that the entrance counseling program wasn't just a 30-minute course but something substantial and consistent that could actually educate and prepare students for this kind of debt." She felt that student loans would be a part of her life for a considerable number of years, and she was not looking forward to the repayment part. In fact, she stated that she "tries not to think about life after college and is just trying to enjoy it as much as possible right now."

Nick described his student loan experience as "easy because my brothers helped me with the entire thing, and I didn't have to do much." He disclosed that his siblings filled out his FAFSA form and took the entrance counseling program for him. Nick described his financial literacy as "basic in terms of understanding bank accounts and credit cards but not much deeper than that." He is aware that he will have to start making payments one day but is not too concerned with that right now. Nick expressed that he wants to continue his education past his undergraduate degree and that he would more than likely need student loans for his postgraduate studies as well. Because his brothers both took out student loans, Nick had always assumed he would as well and felt that student loan debt was just a part of life for all students.

Alex's entire student loan experience was confusing to him. He felt that he did not have any guidance from anyone in high school or college. Alex explained,

> I had little to no financial experience prior to applying for student loans. I helped my family with bills but did not understand most of what was presented to me when I applied for student loans. It was to a point where I couldn't even understand some of the big financial terms that were used in the application and in the counseling program. I remember the counseling program was very short, and I only had to answer a few questions at the end to get the money for school. I don't remember much of it, but I wish that I could have been way more prepared for this. The good thing that did come from this is that at least my siblings can learn from my experience and not fall into debt at such a young age.

Alex stated that the debt stresses him out, and he does worry about how he will pay back such a large debt.

Shan described his experience as getting a lot of information put in front of him in a short period. He stated that even when his friends were helping him with the FAFSA, he felt like he did not understand what was going on except that he was getting loans for college. Two things that stuck out to him during entrance counseling were *interest* and *forbearance*. Shan communicated,

> I knew that the loans that I borrowed would earn interest, and the amount I must eventually pay back would be a lot higher than the amount I borrowed. I just didn't have

> a choice, and I needed the money for school. I also remembered that if I can't pay my loan payments, I can possibly lower my payments with forbearance.

Shan felt that the entrance counseling should be a longer program or possibly a high school or college class. He expressed that it felt too easy for him to get so much money without having much information about the consequences and that getting money like that at that age should not be that easy.

Naomi voiced that she did not really pay attention to the entire student loan and counseling process. Being the youngest in the family, she stated that her family helped her through the entire process. Naomi expressed,

> My family always wanted me to go to medical school, so I have determined to make that happen since before high school. Medical school is incredibly expensive, so I knew that I would need a lot of student loans to pay for my undergraduate degree and my medical degree.

Naomi described her financial literacy as moderate but not deep. She stated that she did not fully understand the process of getting loans and repaying them. Naomi stated that the loans would help her achieve her dream of becoming a pediatrician, and she had not considered much beyond that point.

Tiffany described her student loan process and counseling program as straight and to the point. She expressed that she knew she needed funds to attend Oklahoma State University, and she was not concerned with the details at that point. She stated that her financial training was not substantial, but she understood basic borrowing principles. Tiffany expressed that the FAFSA and counseling program provided entirely way too much information for a young person to grasp, so she "clicked on the buttons necessary to get through the program and get the money needed for school." Tiffany communicated that she was not concerned with loan repayment and would worry about it when the "bill is due."

Nathan revealed that he did not want to go to college immediately after high school. He stated multiple times that he has always been a financially responsible person and meticulous with his income and expenses. Nathan voiced that he did not feel that his educators prepared him for student loans and that a majority of what he learned about student loans was a product of his own research. He felt the entire student loan process and the counseling program were not presented in ways that students could grasp the information. He felt that this process really sets students up to fail in terms of accumulating a lot of debt before they have a career to support this tremendous expense. Nathan was able to recall much of the counseling program, but he expressed that it was due to his own research. He was aware that repayment would begin soon as he would be graduating soon and planned to devote as much of his income as possible to eliminate the loans. Nathan added that if he could turn back the clock, he would "fight more to take a few years off after high school to work and earn money for college."

Jessica described her student loan and counseling journey as extremely long and exhausting. She chose University of Central Oklahoma due to the lower cost compared to many of the other colleges she was accepted into but said she still needed student loans to pay for college. Jessica stated,

> I had done a lot of research on schools, costs associated, and student loans. I felt like I knew what I was getting myself into, but by the time I got to the entrance counseling program, it all just seemed overwhelming and exhausting. I felt very ill-prepared for this and was surprised that my school didn't really have anyone I could talk to about this. The financial aid office gave me a number to call for help, but nobody ever picked up on that

> line. Eventually, I just did what I needed to do and sped through the counseling program so I could pay for school.

Jessica communicated that the entrance counseling program did not change her mind about borrowing or impact the amount she chose to accept. She stated that she knew she would have to pay the loans back one day in the future but was more focused on making sure she could pay for UCO.

Sabot expressed an overall positive outlook on the entire student loan process and the entrance counseling program. He described his financial literacy as high because he handled the finances at the house and had to learn about lending products at a young age. Sabot stated that he paid close attention to the loan amounts that were unsubsidized and subsidized and was very intentional in the amount he accepted. Sabot stated,

> I didn't take the entire loan amount offered to me. I went through the FAFSA form and the entrance counseling program very closely so that I could understand the details of accepting funds, but more importantly, paying the loan back. I was offered a substantial amount more than what I needed, but I only accepted exactly how much I needed to pay for college.

Sabot voiced how grateful he was for student loans. He plans to attend medical school and become a physician. He stated that he would not be able to help his family or people in general without the help of student loans.

Parker described her journey to student loans as one of necessity. She stated that student loans, in her opinion, were absolutely necessary for her to get her degree and move forward to pharmacy school. As the first to attend college, she felt lost in the application process and had to do a lot of research on her own. Parker expressed that her financial literacy was not extremely high prior to applying for student loans, but she felt that the research she did on her own made her considerably more knowledgeable about loans and repayment. Parker could not recall the counseling program in full but remembered taking a “very short quiz at the end that could be taken an unlimited number of times.” Parker expressed that she was not concerned with the repayment of her loans and was confident that her income as a pharmacist would help her with her loan repayment. She added that now that she was thinking about it, “colleges should really prepare and educate young people about finances before they fall into this type of debt.”

Anoop reflected upon his student loan application process and entrance counseling as positive overall. He explained,

> The overall process was intimidating at first because there’s a lot of information being thrown at you at once. I, however, used the fear of debt as motivation to do my due diligence outside of the FAFSA and entrance counseling. I was well-informed about my rights, responsibilities, and requirements as a borrower prior to accepting any loan disbursements.

Anoop could not recall the specifics of the entrance counseling program, and he expressed,

> Students should not be able to have access to such a large sum of money with no accountability and oversight. A quick so-called counseling program really does nothing for students. It’s too easy for young people to perceive this as free money and buy whatever they want. I know many people that used student loan funds for sneakers and vacations.

Anoop voiced that although many may misuse student loans, he was grateful for this tool that helped him get his education. He stated that debt could be leveraged for good if one is educated on how to utilize it properly and is responsible with it. At the time of the study, Anoop was on pace to pay off his student loan debt by the end of 2021.

Regi described his student loan application and counseling process as insufficient. He stated that he did not have much financial training prior to entering college, and he felt very uneducated about credit cards, bank accounts, and student loans. While he could not recall specific details about his initial application process and counseling program, Regi expressed that schools should better equip students prior to applying for loans.

> By the time I was applying for student loans, it was essentially too late to impact my decision to borrow—I needed the funds for school, so I accepted the maximum amount allotted to me every single time. Educating students at the point of application is just too late, in my opinion.

Regi suggested that starting lessons on student loans early in high school may have prepared him better and possibly impacted his borrowing decisions.

Tony reflected on his student loan journey as one he was prepared for. Tony's father helped walk him through the entire process and taught him how student loans and repayment worked. Tony stated that both his high school and college failed to provide him with resources to get educated about student loans. He explained,

> My financial literacy was high at a young age because my father, who is an accountant, taught my sister and me a lot about finance growing up. However, I was surprised at how little resources there were for students at my high school and my university to learn about student loans and other basic financial tools.

Tony felt that student loans were necessary for him to be able to pay for college; however, "the process is set up under the guise of helping us, but really it makes most of us burdened with debt for a very long time." He expressed that the student loan counseling program should be more robust, with lessons that engage the average college-aged student.

Robin described her student loan and counseling journey as overwhelming. She stated that the process was short but packed with information that was nearly impossible to grasp. Robin shared that her financial literacy was not high growing up, and prior to applying for student loans, she was not exposed to any type of student loans training. She explained,

> All of my math or personal finance classes focused on formulas and word problems. Nowhere in my high school or college studies did we ever discuss credit cards, mortgages, and especially student loans. The finance curriculum that was presented to me did not contain real-world relevant components. Schools were too focused on me passing an exam rather than preparing me to not end up in thousands of dollars in debt.

Robin described the student loan counseling program as a formality but inconsequential in the grand scheme of things. She stated that she "does not even remember one moment of the counseling program and would not have recalled the program at all if there wasn't a question referencing it." Robin voiced that having such a high amount of student loan debt is stressful, but she tries not to think about it too much. Now that she is paying her loans back, she knows that a payment is coming out every month, and it barely makes a dent in the overall amount owed. Robin expressed that if she could go back and change things, she would only accept the loan amount necessary to pay for college and not the entire amount every year.

Tina perceived student loans as free money. She stated that she had no guidance or help when it came to applying for loans, so she accepted what was allotted to her. Tina explained,

> I had little to no financial training prior to applying for student loans. My teachers or counselors never went through the process with me or my classmates. I was too young to

> understand the gravity of student loan debt, and at 17 years old, it seemed like free money.

Tina could not recall the details of entrance counseling but remembered that she was able to click through the program and take the short quiz as many times as she wanted until she passed. She expressed that one of the major weaknesses of the counseling program was that it is a 30-minute program that does not engage the borrower in a way that educates them. Tina voiced that educating students about this type of debt should start at a very young age, not minutes before they are ready to accept the funds they need to attend college. Tina explained,

> The counseling program had little to no impact on my decision to borrow student loans for college. At this point of the entire process, I had no backup plan, so regardless of the counseling program, I was going to accept the loan disbursement. If middle school or high school curriculum included student loans, I believe I would have possibly made different decisions on the amount I borrowed.

Tina disclosed that she was getting notifications of student loan payments resuming later this year and was feeling anxious.

Kayla described her perception of student loans as full of regret. When asked about her financial literacy prior to applying for student loans and taking the entrance counseling, Kayla stated she had a fundamental knowledge of finances but knew nothing about loans. She explained,

> The entrance counseling was not adequate training for me to understand the ins and outs of student loan debt and repayment. I didn’t know what subsidized and unsubsidized meant. I had never seen those words before that point. If anything, the entrance counseling overwhelmed me more and did not contribute to my financial literacy.

> Remembering back, I borrowed the full amount without considering the implications of my decisions for a moment. I was severely underprepared, and I am more than paying for my youthful ignorance.

Kayla strongly expressed the regret she felt about student loans. She voiced that if she was a high school senior again, she would be more intentional about educating herself about student loan debt and would try to work and pay for college on her own. Kayla revealed that she was currently repaying her student loans but felt like each payment was not making a dent in the overall debt.

Richard detailed his student loan and entrance counseling journey as confusing and overwhelming. As a first-generation college student, Richard stated that he had no help or example to follow in financial literacy. When it came time to apply for student loans, he was overwhelmed by the length of the application and did not understand a majority of what was presented to him. He described the entrance counseling program as “a quick quiz with words that I did not understand.” Richard expressed that the counseling program did not contribute to his decision to accept student loans. He stated,

> How could it? I didn’t understand a majority of what was in front of me. My only options were to scroll down and click next until I guessed enough times on the quiz to get a passing score. Once I passed, I accepted the full loan amount without a second thought about five years down the road when it would be time to repay thousands of dollars. Thinking back, I feel like I was incredibly irresponsible, but I also feel that the people lending that much money to kids were also irresponsible.

Richard reflected on student loans as a burden now and wished he could have learned more about what he was accepting.

Elizabeth reflected on her student loans and the entrance counseling as a time in her life when she was incredibly irresponsible and too young to understand the gravity of student loan debt. She stated that everybody around her was using student loan funds to buy clothes and go on trips with friends, so she followed suit. Elizabeth described her financial literacy prior to applying for student loans as elementary: “I knew the basics of money but had no clue about borrowing, repayment, and interest.” When asked to describe the student loan entrance counseling program, Elizabeth expressed displeasure with the program and felt that it did nothing to equip students with the proper knowledge about student loans and repayment. She explained,

> The counseling program was both insufficient and ineffective. I didn’t even pay attention to it because it felt like a quick barrier to me getting thousands of dollars to spend like my siblings and their friends were doing. Looking back, I probably should have read every detail in the program, but at that age, I didn’t know better, and I now feel like I was taken advantage of. I get worked up when I talk about student loans because I feel like none of my classes in high school ever talked about student loan debt.

Visibly upset, Elizabeth concluded that if she were able to relive some of the borrowing decisions, she would have been more responsible and looked for other ways to pay for college.

In looking back on applying for student loans, Eric had a positive outlook on his experience. Eric described his financial literacy prior to applying for loans as moderate. He had a credit card in high school and never carried any balances because of the interest that would accrue. When asked about the entrance counseling program, Eric stated that he did not feel that the entrance counseling did much to prepare him for student loans. He recalled that the program did inform him about repayment but revealed that he did not focus on that.

> Maybe being 17 years old had something to do with it, but I didn't really think too much about the loan repayment. I knew that as a doctor, I would be able to earn enough income to cover the student loan debt.

Eric expressed that he did not believe high school or college prepared him for student loans, but he did not expect that type of education—his focus was to do well and become a physician. Eric said he was grateful that student loans were available for him because now he would be able to provide for his parents and siblings.

Kimberly described herself as being very unprepared for student loan debt. She explained,

> I had no knowledge of loans or debt. I was quite sheltered and never had to concern myself with those things. My high school never taught us about student loans. The focus was to do well in school so we could get into a good college. How to pay for that college education was never a topic of discussion.

Kimberly expressed that the student loan entrance counseling was informative; however, it did not impact her borrowing decision whatsoever. She stated that by the time she had filled out her FAFSA and got to the counseling portion of the process, she had already decided on Oral Roberts University and had also decided to accept the full loan amount offered to her. Her recommendation was to start financial education at an early age in schools and have student loan counseling be a part of the high school curriculum. Looking back, Kim stated that if she could change her decisions, she would have chosen to go to a public university rather than a private one. Now that Kim is repaying her student loans, she feels that she will be making payments on this debt for the rest of her life.

Additional Findings

Contrary to the prevailing results in this study, one set of existing and former undergraduate students believed that student loan debt had an overall positive impact and provided an opportunity to get an education that could not be attained otherwise. Hedged on the theme of leveraging debt, the study's findings revealed two participants that perceived student loans as helpful and necessary to achieve their goals. For instance, Anoop and Sabot described their student loans as tools they leveraged to their advantage in getting a college education. Sabot explained,

> My family came to America as immigrants with little to no resources for me to go to college. We had no one to help us, and our only example was the neighbor's kids using student loans to pay for college. Although I knew I would be taking on debt to go to college, I was very careful throughout the entire process. I never accepted more than I needed, and I immediately started making payments back to my loans instead of waiting for interest to accrue. Student loans are helping me get a great education and will help me get through medical school too. My education and career will help generations of people in my family, and for that, I am eternally grateful.

Anoop provided a similar outlook on student loan debt and stated he would not have the education he has today without student loans and can now educate others on how to utilize debt instruments like loans properly. Both Sabot's and Anoop's statements provide a perspective that there are students that perceive the construct of student loan debt as a fundamental element in achieving their educational goals.

The additional findings are supported by existing research that education can be a contributing factor to social mobility. Social mobility is defined as the movement of individuals and families between social strata in a society (Pfeffer & Hertel, 2015). Education has always been considered as a means for social mobility, leveling off inequalities among individuals and enabling them to realize their potential (Mocca et al., 2019). Baum and Flores (2011) affirmed that higher education creates widespread social mobility and a better-prepared workforce for a globalized future. Community colleges are also vital engines of social mobility, as these colleges also provide access to nearly half of all minority undergraduate students and more than 40% of undergraduate students living in poverty (Mullin, 2012). By widening access to higher education, poverty can be alleviated by increasing rates of social mobility from disadvantaged families (Baum & Flores, 2011; Brown & James, 2020).

Themes

This section details the themes that emerged from the data derived through preinterview surveys and interviews. After meticulously analyzing and categorizing the data, five themes were identified: (a) underprepared and undereducated, (b) overwhelmed by the process, (c) unconsidered implications of borrowing, (d) engagement, and (e) leveraging debt.

Theme 1: Underprepared and Undereducated

The underprepared and undereducated theme included high school and college curriculum and overall financial literacy of student loans and loan repayment. The general sense of participants feeling underprepared and undereducated was centered on the lack of curriculum that explicitly covered topics such as student loans and loan repayment. There is no degree or graduation requirement that makes it mandatory for a student to enroll in and pass a semester-long course that educates and tests students on student loans or financial management. Many participants did not understand most of the financial terms used in the student loan application and entrance counseling process. Richard did not understand much of the process and was never exposed to some of the terminology used in the application or the counseling program. He stated,

> I had never heard some of these words before and did not know the definition. Words like forbearance, delinquency, compounded interest, subsidized, and unsubsidized—I was not taught these concepts in high school, and it made me feel frustrated that I was not better prepared to accept thousands of dollars of debt.

Participants were not presented with these lessons and concepts early enough in their educational journey to fully understand what they were applying for and accepting. Alex felt a lack of educational support from teachers and counselors. He stated,

> No classes in high school covered this significant moment in my life as a student. My teachers and counselors encouraged me to work hard to get into a good university and get a good education; however, not a single one discussed student loan debt. I assumed that if I was about to be thousands of dollars in debt, that my high school or college would provide some sort of training or counseling that would have prepared me for this.

Many participants voiced that they had no familiarity with the financial aid procedures or the required follow-up steps prior to receiving student aid awards. In summary, participants indicated that they felt they lacked proper preparation and education for federal student loans and the associated rights and responsibilities.

Theme 2: Overwhelmed by the Process

The overwhelmed by the process theme detailed how participants felt with the overall application and entrance counseling process. With over 100 questions on the FAFSA, participants stated that they did not anticipate the volume of information that would be requested from their parents and from them. Jenny was the first in her family to attend college. She stated,

> There was so much going on—so many questions that I did not understand. Documents that my parents did not have readily available were requested. I just felt like it was all too much and had to walk away from the application multiple times to gather myself.

The FAFSA requires applicants to provide information found on their parents' tax returns with no direction as to where they can locate the information. Participants described the process as one of immense pressure and anxiety-inducing. Tina explained,

> I feel anxious even talking about the amount of student loan debt that I have. It is such a huge burden that I will be riddled with for many years to come. From the very start, when I was graduating high school, I remember feeling uneasy because of how little I knew and understood. Now, that feeling has increased quite a bit.

The entrance counseling program packs a high volume of content into a 30-minute online course, which participants described as too much information in such a short amount of time. Though the counseling program's intention is to inform and educate borrowers, the number of topics included in the counseling results in an overwhelming and wearing experience for them. The loan process intimidated and overwhelmed students that were never exposed to this information before.

Theme 3: Unconsidered Implications of Borrowing

The unconsidered implications of borrowing theme explained how participants did not consider the consequences of debt at the point of accepting student loans. Participants generally took student loans lightly and did not think about repayment. Elizabeth recounted,

> My example was my siblings and friends that used their student loans to go shopping and go on vacations. I followed that example and accepted the full loan award each year. Not for a moment did I think about paying this back. Full transparency—it felt like free cash

> in the moment. One specific example was my friends went to Ireland for spring break my junior year of college, and I used my student loans to pay for that entire trip. Now I'm paying hundreds more in interest on just that trip.

Repayment seemed abstract and a far-off point in students' lives. At the point of applying for and accepting student loans, responsible financial management was not considered. Tiffany explained,

> Right now, I need the loans to be able to pay for college, books, my apartment, and food. I know that I'll have to pay this back eventually, but I'll have a job at that point that's going to help me pay it all back. I don't want to worry about that right now. I just want to focus on the college experience.

Many of the participants in the study, who were both undergraduate and graduate students, accepted the full loan amounts awarded to them without considering repayment.

Theme 4: Engagement

The engagement theme described the ways participants engaged with and recalled the federal student loan entrance counseling program. Generally, a student who is properly educated and informed through the entrance counseling program should be able to understand the information they have learned and be able to recall that information for an extended period. Out of the 20 study participants, one participant recalled specific components of the entrance counseling program. The level of engagement during the counseling program was extremely low. Jessica related,

> The counseling program and quiz did not impact my decision to borrow loans whatsoever. By the time I had made it to that point, not only was I ready for the process to be over, but I had also already decided which university I was attending and how much

> loan money I needed to attend. The details of the program itself are a blur, and that should speak volumes at the level of intentionality behind the program. I took that program less than a year ago, and I can't give you specific details; however, I took my history and political science courses over two years ago and can give you direct quotes from the text.

Prior to loan funds being dispersed, the participants took the mandatory entrance counseling program; however, the participants' borrowing decisions were solidified long before the counseling program. This stage of the process was, to many, simply another barrier to the loan awards. Participants described rushing through the entrance counseling without engaging or being attentive. Nick explained,

> My siblings all went through this process before me when they were starting out college, so they filled out my FAFSA and took my counseling program and quiz for me. I recall both of my brothers competing to see who could guess better on the quiz. It wasn't something that helped educate me or inform my decision to take out student loans.

In a similar vein, Tony voiced,

> The entrance counseling program does little to engage with and truly educate the borrower. My financial knowledge was somewhat higher than the average student['s] because of my dad teaching me, but even then, the counseling program felt inconsequential to my decision to borrow student loans. The program did not contribute to me being a more responsible borrower. In my opinion, it was just the next step in the process in order to have the loan proceeds distributed.

In summary, the level of participants' engagement and attentiveness during the federally mandated student loan entrance counseling program was directly correlated to the participants' ability to recall components and lessons from the program.

Theme 5: Leveraging Debt

The leveraging debt theme described the ways two participants perceived student loan debt as a helpful tool. Sabot and Anoop both described student loans as a tool they were glad to leverage to get a great education. Sabot stated,

> My family came to America as immigrants with little to no resources for me to go to college. We had no one to help us, and our only example was the neighbor's kids using student loans to pay for college. Although I knew I would be taking on debt to go to college, I was very careful through the entire process. I never accepted more than I needed, and I immediately started making payments back to my loans instead of waiting for interest to accrue. Student loans are helping me get a great education and will help me get through medical school too. My education and my career are going to help generations of people in my family, and for that, I am eternally grateful.

Anoop had a similar outlook on student loans and expressed,

> My research on student loans prepared me to use this tool in a way that would benefit me the most. I saw many people around me misuse student loans by using it for vacations and things like that; however, I was very familiar with my rights and responsibilities as a borrower. The fear of falling into never-ending student loan debt motivated me to be meticulous with every aspect of borrowing and repayment. I wouldn't have the education I have today without student loans, and now I am able to educate others on how to

> properly utilize debt instruments like loans. Because of my commitment to repaying my loans, I will be completely student loan debt free by the end of this year.

In summary, debt instruments were helpful to Anoop and Sabot because the loan proceeds were utilized properly, and both individuals were well-educated on their rights and responsibilities as borrowers.

Chapter Summary

Chapter 4 described this study's purpose and stated the research questions, grounding the pursuit of addressing the problem of practice. Next, I expressly stated the roadmap of how I conducted a qualitative study using a multicase design. I detailed the pilot study, purposeful sampling, and how I recruited the study participants. Next, I shared how I processed and analyzed the data. The findings provided case profiles for each participant, survey and interview responses, and cross-case analysis. The conclusion of this chapter discussed the five emerging themes found in the data. Chapter 5 discusses the results, the conclusions, and the recommendations based on the results.

Chapter 5: Discussion, Conclusions, and Recommendations

Student loan debt remains a phenomenon that continues to exponentially increase in America and is one of the most important issues facing Americans today. The federal student loan program introduced in 1965 with an initial budget of $15 million has now multiplied to a staggering $1.5 trillion in student loan debt (Friedman, 2020). Students are ushered into the college experience often without possessing a firm grasp of basic financial literacy skills. Many students enter their postsecondary education with little to no knowledge of financial products and services available to them. These financial products and services are obtained and used by students without fully understanding the effects these tools have on their futures. Geddes and Steen (2016) argued that although Americans are not equipped with the proper financial knowledge or training, they are responsible for handling complex financial tools and products and making important financial decisions.

The level of knowledge and training regarding student loans is low across America, and approximately one in five students lack basic financial skills (Lusardi, 2019). Federal legislation mandates borrowers to take a 30-minute counseling session to learn the rights and responsibilities of borrowers, but the one-size-fits-all approach to delivering counseling is problematic (Bartholomae et al., 2017; Milhouse, 2018). Little research has been done on the effectiveness of student loan counseling or the methods and materials used to deliver it (Bartholomae et al., 2017; Fernandez et al., 2016).

The purpose of this qualitative case study was to understand better the perspectives of current and former undergraduate students who took part in the federal student loan entrance counseling program. The study was limited to 10 cases of current undergraduate students who accepted federal student loans and 10 cases of participants who graduated within the last five years and accepted federal student loans. This study aimed to understand students' experiences and perspectives as they apply for student loans and take the federally mandated student loan entrance counseling program. By discovering this information, the goal was to add to the body of existing research regarding the impact of student loan entrance counseling.

The following research questions guided the study:

RQ1: How do existing and former undergraduate students perceive the student loan application process and student loan debt?

RQ2: How do existing and former undergraduate students feel entrance counseling shaped their borrowing decisions?

Twenty participants took part in this case study after initially completing the qualifying preinterview survey disseminated through SurveyMonkey (see Appendix B). The survey collected demographic data, classification, years since graduation, if federal student loans were accepted, and the current total range of federal student loan debt. The information collected in the preinterview survey provided the necessary context for the interview. Prior to the interviews, participants were given interview questions to allow each individual to recall and reflect on their experiences and perspectives. Each interview was conducted through Zoom and recorded. Interviews ranged from 30 minutes to 45 minutes. After transcribing the interviews, a copy of the transcript was sent to each respective participant to review to assure complete accuracy of the collected data. After receiving clearance from all participants, transcripts were coded and then categorized and labeled into themes.

Chapter 5 is a summary and analysis of the findings in my research. In this chapter, I connect the findings in this study to previous literature in financial literacy, student loan debt, and entrance counseling. This chapter also includes implications of this study from a theoretical framework and the implications for practice. Lastly, I conclude this chapter by addressing the study's limitations and providing recommendations.

Interpretation of Research Results

Two research questions played a fundamental role in guiding this study. The first question was centered on participants' perceptions of the student loan application process, the entrance counseling program, and student loan debt. Research Question 2 focused on the entrance counseling program and how it impacted borrowing decisions. After analyzing and categorizing the data, a series of themes emerged. The themes were underprepared and undereducated, overwhelmed by the process, unconsidered implications of borrowing, engagement, and leveraging debt. The themes discussed herein aligned with the study's research questions. The themes play a fundamental role in identifying the focal points of the study.

RQ1: How Do Existing and Former Undergraduate Students Perceive the Student Loan Application Process and Student Loan Debt?

The study's results indicated that participants generally felt overwhelmed and anxious in terms of the entire student loan application process, the counseling program, and student loan debt. Participants felt the application itself, with over 100 questions, was complex and difficult to navigate. Mounting evidence suggests that the application form used by the federal government should be simplified and updated (Burd et al., 2013; Dynarski & Kreisman, 2013). Many participants noted that the application process made them feel anxious. Tina explained,

> The anxiety I felt when first starting the student loan process is still something that has not left me five years later. So many of my classmates felt the same, and we didn't have anyone to turn to. Because of that, we all made the same mistakes and are carrying the burden of debt now.

The process was daunting to many participants. Further, one participant, Jenny, stated, “I felt so overwhelmed and scared going into the student loan process, and I didn’t know what questions to ask or who to ask it to because nobody else in my family had gone to college.” These statements provide a compelling argument that students generally are not emotionally or mentally prepared to shoulder the responsibility of student loans.

The study findings revealed that at the time of borrowing, students did not understand the gravity of student loan debt and failed to consider the repercussions of the debt. Several participants indicated that the loan awards were a means to an end and disclosed that they did not consider the implications of borrowing such large amounts of money. One borrower, Tina, explained, “It felt like free money at the time because I was too young to understand what borrowing meant in the long run, and I just needed money at the time for school.” This statement points to a lack of understanding of the responsibilities student loan borrowers have. Similarly, Elizabeth stated,

> The thought of paying my student loans back did not enter my mind for a moment when I clicked the button to accept my full loan award. All my upper-classmen friends were using their student loans to go on trips and go shopping, so I followed suit. Four years later, I understand—but too little too late. I just didn’t understand what I was getting into back then, and I’m literally paying for it now.

Several participants voiced that repayment seemed abstract at the time of borrowing and a far-off point—responsible financial management was simply not considered.

The study results indicated that students felt they were not properly equipped with the necessary education to make responsible student loan borrowing decisions. Several participants noted that the first time they were exposed to student loan concepts was when they applied for the loans and took the mandatory entrance counseling program. One borrower, Richard, shared that he did not know the definition of many of the financial terms used on the application and the counseling program. Words like forbearance and delinquency were not covered in his high school or college curriculum. Further, Alex explained,

> Student loans were not discussed in high school. We had personal finance as a class, but that class did not discuss the student loan application or what it meant to borrow student loans. We were encouraged to work hard in high school in order to go to a good college, but nobody talked to us about how to pay for college. Looking back, it’s disappointing how unprepared and uneducated I was about borrowing.

The students’ accounts in this study are compelling, and they reveal that students are not presented with financial lessons and concepts early enough in their educational journey to fully understand what they are applying for and accepting.

Prior research concurs that students are underprepared before applying for and accepting student loans. Low levels of financial literacy in high schools and colleges are directly related to a lack of financial planning, excess monetary spending, poor debt management, and extensive borrowing (Lusardi, 2019). Many students simply do not comprehend concepts ordinarily learned through financial literacy education, such as interest rates, compounding interest, subsidized loans, unsubsidized loans, and loan deferment (De Bassa Scheresberg et al., 2020). Additionally, De Bassa Scheresberg et al. (2020) argued that due to a lack of financial literacy, students are not able to understand the accumulated debt caused by student loans. Mindra and Moya (2017) affirmed that financial products and services are increasingly complex yet readily available for students to utilize with no proper training.

RQ2: How Do Existing and Former Undergraduate Students Feel Entrance Counseling Shaped Their Borrowing Decisions?

Student loan entrance counseling occurs before the student aid is disbursed as required by the Higher Education Act of 1965 (Fox et al., 2017). Results in this study indicated that students were generally not engaged in the student loan entrance counseling program, and many could not recall details of the program. The study findings revealed that participants did not feel that the counseling program was thorough enough to inform and educate them on student loans. The entrance counseling program presents a high volume of content specific to the rights and responsibilities of the borrower in a 30-minute online course. While the program is purposed to inform borrowers of their rights and responsibilities, several participants voiced that the counseling program was introduced too late in the application process to impact borrowing decisions. Jessica explained,

> By the time I was directed to take the entrance counseling program, I knew what university I was attending and how much loan money I needed. The program was just another step to get through so I could get the money for school. I don't remember much, if any, of that course. I recall having to click through and accept funds at the end of the process.

According to the study results, the counseling program contained too much complex information in a short period. Out of the 20 participants in the study, one participant could recall specific components of the program. Results indicated that the level of engagement with the counseling program was extremely low. One borrower, Tony, noted, "The program did little to maintain my attention and truly educate me—it was monotonous and invaluable in my opinion." Similarly, Alex expressed,

> The counseling program had a lot of information in it, but it wasn't presented in a way where someone like me could grasp it or remember it. There was no learning or educating involved, and the program did not contribute to my decision to borrow student loans. From what I can recall, the program had pages of information, and I just needed to click through it to answer a few questions at the end.

As found in this study, the mandatory loan counseling program appears to have little to no impact on students' borrowing decisions. Generally, participants in this study could not recall the rights and responsibilities presented to them in the counseling program.

Prior research supports this study's findings that despite the entrance counseling program, borrowers still lack a rudimentary understanding of their loans and the responsibilities attached to borrowing (Gorin & Tabit, 2016; Mueller, 2014). Baum and Schwartz (2015) argued that the financial aid process and the entrance counseling program were entirely too complicated for students to understand and apply, and drastic changes must be made to equip students to make proper financial decisions adequately. A 30-minute counseling program does not equip students to make proper financial decisions primarily because many cannot recall the information that was presented to them once. According to Thalheimer (2010) and Murre and Dros (2015), humans forget approximately 56% of new information within an hour of learning it, forget 66% of information within the first day, and forget approximately 75% of information within three to five days of exposure. Clearly, students do not find the counseling program memorable or valuable, which raises concerns about the retention of the information presented to them in the entrance counseling.

Implications for the Theoretical Framework

Many factors impact the learning process and what students grasp and retain as they take part in the federally mandated student loan entrance counseling program. The constructivist and social learning theories played a foundational role in supporting the findings of this study. As stated in the constructivist model, truth is treated as a relative and dependent factor that is hedged on an individual's purviews. From a macro perspective, the constructivist viewpoint establishes that experience remains the primary teacher on how people learn, supporting the view that an individual's cognitive development is primarily built through experiences (Zhan, 2020). Environmental, cognitive, and psychological stimuli contribute to students' growth and development in decision-making (Adom et al., 2016). As evident in the research findings, participants lacked the proper environment, tools, and education necessary to build a strong base of knowledge that informs their financial decision-making process.

Additionally, the social learning theory also provided a framework for this study, as depicted by Bandura (1977). The social learning theory forms a critical theoretical foundation for behavioral modeling techniques involved when students are learning. This approach theorizes that people learn best through observation. Edinyang (2016) stated that most human behavior is, in fact, learned through observational modeling. One of the components in the social learning theory is learning retention. Bandura (2018) stated that an individual's past reinforcement of information determines the level of retention and one's ability to recall said information. The study results clearly revealed that a lack of repetition and reinforcement of student loan concepts and lessons led to the participants' inability to recall the borrower's rights and responsibilities introduced in the entrance counseling program. Therefore, the study is shaped by the constructivist and social learning theories in affirming that learning occurs through various ways, including active observation, instruction, reinforcement, and repetition.

Implications for Practice

The study indicated several implications for practice. The key components of effective loan counseling revealed through this study are the complexity and volume of information presented to the borrower, the timing of delivery, and the delivery method. Introducing students earlier to financial literacy education focusing on student loan debt would potentially help students grasp, retain, and recall those lessons when making borrowing decisions. Participants indicated that they do not feel that entrance counseling helped them become more informed borrowers. Adding the topic of student loans to middle school and high school curriculum could improve student outcomes by spurring students to plan and think critically; however, the current design falls severely short of this purpose.

Colleges should take steps to bridge the gap in financial literacy and partner with high schools to educate students prior to applying for student loans. In 1955, the College Board developed the Advanced Placement (AP) program to offer high school students an opportunity to take college-level classes. The 38 AP courses gave students the chance to earn college credit while still in high school. By earning college credit in high school and skipping introductory courses in college, students save time and money as they work toward a college degree (College Board, 2018). The College Board effectively persuaded policy makers that AP classes and exams were one of the best ways to raise education standards (Tugend, 2017). In this same manner, colleges should work with high schools to establish financial literacy curriculum focused on student loans and incentivize students the same way AP courses provide students with earned college credit hours.

The volume and complexity of information delivered during consumer education are important to retention (Klepfer et al., 2015). Studies of how consumers make high stakes decisions have shown that consumer information must be presented in a clear and timely manner to be effective, and when information is provided in large and complex forms, consumers make poor financial choices (Klepfer et al., 2015). One way to present student loan debt management education is to introduce it in freshman orientation seminars. Universities typically provide freshmen seminars once a quarter to incoming freshmen, and providing debt management education would be an avenue to educate students in a clear and timely manner. Students are able to retain information better and are more likely to alter borrowing behaviors when they receive clear and frequent instruction and education. Also, a more personalized approach appears to contribute to an overall better learning environment for students, where they can receive counseling face-to-face. Overall, it is evident that there is a need for students to be educated beyond a single entrance counseling program to receive accurate, consistent, timely, and relevant information and can make better-informed borrowing decisions.

Limitations

There were limitations in this multicase study. The study was limited by a sample size of 20 participants. Another limitation was that the study data came from surveys and interviews of current and former college students and not from randomized testing of knowledge retention and financial literacy. The study was also limited to current and former college students that were either currently attending or graduated in the last five years from universities in Oklahoma and Texas.

Recommendations

The results indicated the need for future studies regarding the financial literacy of high school students. One of the study's key findings was that participants felt undereducated and unprepared to make proper student loan borrowing decisions. While surveys and interviews provide a good starting point, there is a need for future research that measures what students grasp and can recall immediately after the student loan entrance counseling program. Subjecting students who have just taken the entrance counseling program to randomized testing will help measure the level of knowledge retention. Students themselves will play a critical role in this research and evaluation because they will provide clear insights on the most effective way to deliver student loan counseling.

Another recommendation for future studies would be to expand the number of study participants. This study was limited to 20 participants in Oklahoma and Texas. Future studies should increase the number of participants and expand the geographical parameters beyond the two states. The expansion of the sample size and inclusion of more universities from other states will result in robust data collection. In addition to expanding the sample size, another recommendation for future studies would be research that further investigates the psychology of borrowing and how licensed counselors can contribute to the entrance counseling program. These insights could drive government policy change and further development of the student loan entrance counseling program.

Conclusion

This study aimed to understand better the perspectives of current and former undergraduate students who participated in the federal student loan entrance counseling program and how the counseling program impacted borrowing decisions. Using a multicase study approach allowed me to gather insights from the experiences that current and former college students had when applying for student loans and going through the entrance counseling program. The study participants had the opportunity to share their experiences, thoughts, and feelings toward student loan debt and entrance counseling.

The findings revealed that participants did not consider the implications of borrowing, they felt underprepared and undereducated, they were overwhelmed by the process, and they were not engaged in the counseling program. My hope for this study was to bring attention to the current system in place that does not properly prepare students to make informed and educated student loan borrowing decisions.

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Appendix A: IRB Approval Letter

ABILENE CHRISTIAN UNIVERSITY
Educating Students for Christian Service and Leadership Throughout the World

Office of Research and Sponsored Programs
320 Hardin Administration Building, ACU Box 29103, Abilene, Texas 79699-9103
325-674-2885

April 28, 2021

Manoj Oommen
Department of Graduate and Professional Studies
Abilene Christian University

Dear MJ,

On behalf of the Institutional Review Board, I am pleased to inform you that your project titled "Exploring the Experiences and Effectiveness of Student Loan Entrance Counseling",

(IRB# 21-059)is exempt from review under Federal Policy for the Protection of Human Subjects.

If at any time the details of this project change, please resubmit to the IRB so the committee can determine whether or not the exempt status is still applicable.

I wish you well with your work.

Sincerely,

Megan Roth

Megan Roth, Ph.D.
Director of Research and Sponsored Programs

Appendix B: Preinterview Survey Questions

1) Gender:

2) Age:

3) Do you currently attend a four-year university in Oklahoma or Texas?
    a. Yes or No

4) What year of college are you in?
    a. First
    b. Second
    c. Third
    d. Fourth
    e. Other: _________

5) Have you graduated from a four-year university (in Oklahoma or Texas) within the last five years?
    a. Yes or No

6) How many years has it been since you graduated college?

7) Did you apply for and accept federal student loans to pay for college?
    a. Yes or No

8) What is the range of your total federal student loan debt?
    a. Under 25K
    b. 25K–50K
    c. 50K–75K
    d. 75K–100K
    e. 100K–150K
    f. Over 150K
    g. Option to specify student loan debt amount: _____________

9) Did you attend the online 30-minute federal student loan entrance counseling program?
    a. Yes, No, or a Friend or Family member took the program for me

10) Are you a first-generation college student?
    a. Yes or No

11) Are you the first of your siblings to attend college?
    a. Yes, No, or N/A

Appendix C: Interview Guide

1) Tell me about your experience in applying for student loans and the process involved from the application to the distribution of loan funds.

    a. How did you feel overall while going through the application process?

2) Tell me about your experience with the mandated student loan entrance counseling program?
    a. What are some concepts or components that really stuck out to you?
    b. How would you describe the impact that student loan entrance counseling had on your financial knowledge or literacy?
    c. What influence did the student loan entrance counseling program have on your decision to borrow student loans?

3) How would you describe the mandated student loan entrance counseling program?
    a. From your viewpoint, what are the strengths of the student loan entrance counseling program?
    b. From your viewpoint, what are the weaknesses of the student loan entrance counseling program?
        i. In your viewpoint, what would you recommend in order to strengthen the counseling program, or what additional information might have been useful to you?

4) Prior to considering applying for student loans, how would you describe your perception of student loan debt?
    a. Prior to considering applying for student loans, how would you describe your personal financial training and understanding of student loans?
    b. From your perspective, describe how prepared you felt going into the student loan application process.
    c. How would you describe how student loan debt has impacted you so far?
    d. How would you describe your perception since borrowing student loans?

5) Is there anything additional you'd like to share with me regarding student loans, the process of applying, entrance counseling, being prepared for student loans, or how the debt (whether you view it as positive or negative) has impacted your life now and how it will impact your future?