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## Understanding Financing Strategies that Low-income Undergraduate Students Can Utilize To Navigate Through Postsecondary Ed. Debt-free

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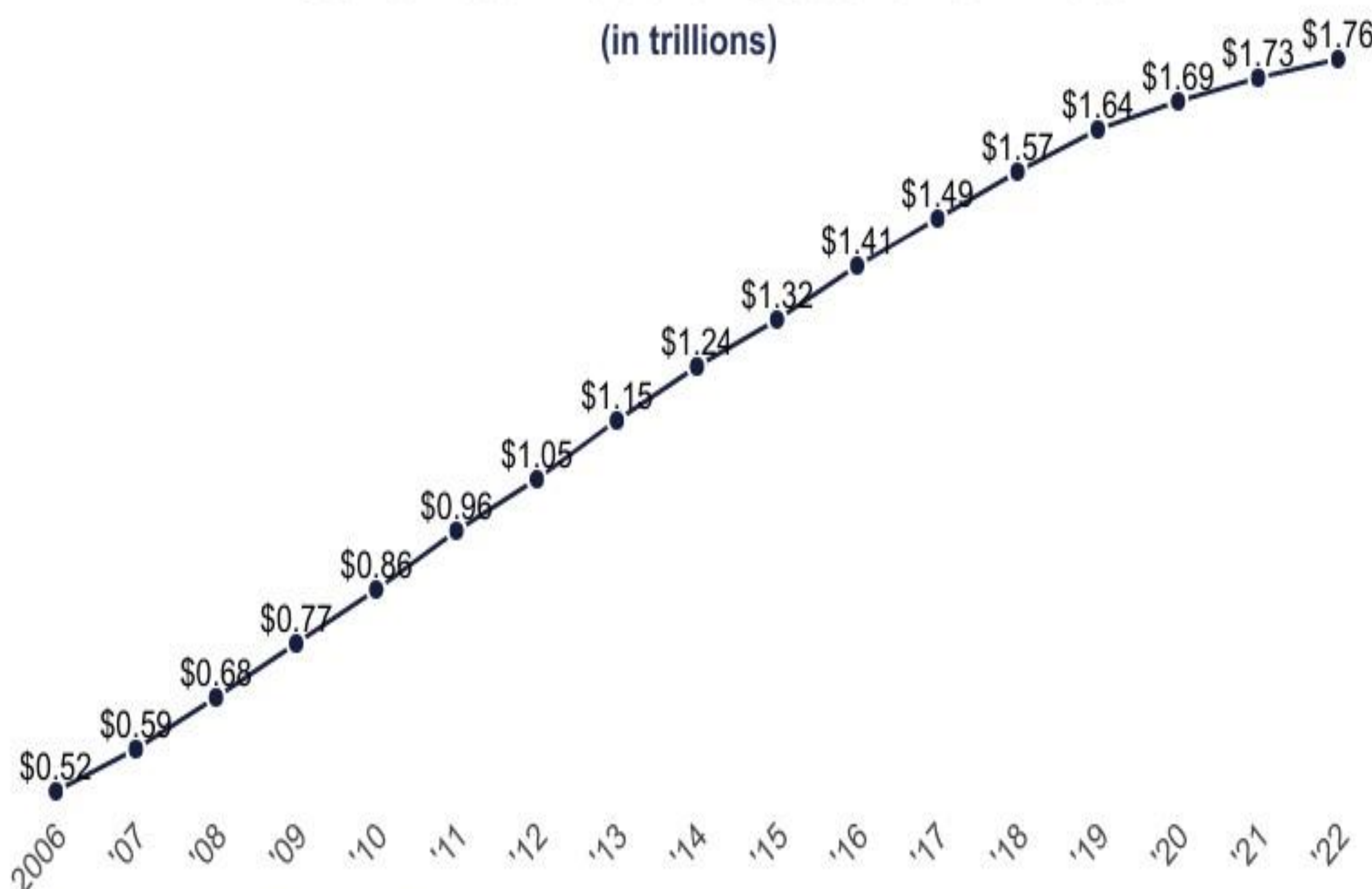


# Understanding Financing Strategies that Low-income Undergraduate Students Can Utilize To Navigate Through Postsecondary Ed. Debt-free

## Introduction

- One of the pressing issues in American higher education is the rise of student loan debt and the impact of student loan debt burden on the graduates' lives. The burden of student loan debt has caused many graduates to experience (Velez et al., 2019) :
  - Financial stress,
  - Become unsatisfied with their jobs,
  - Postpone their plans, such as getting into marriage, having kids, buying a car, or buying a house
- More than 43 million Americans have student loan debt
- US student loan debt is \$1.76 trillion

Historic Total\* National Student Loan Debt  
(in trillions)



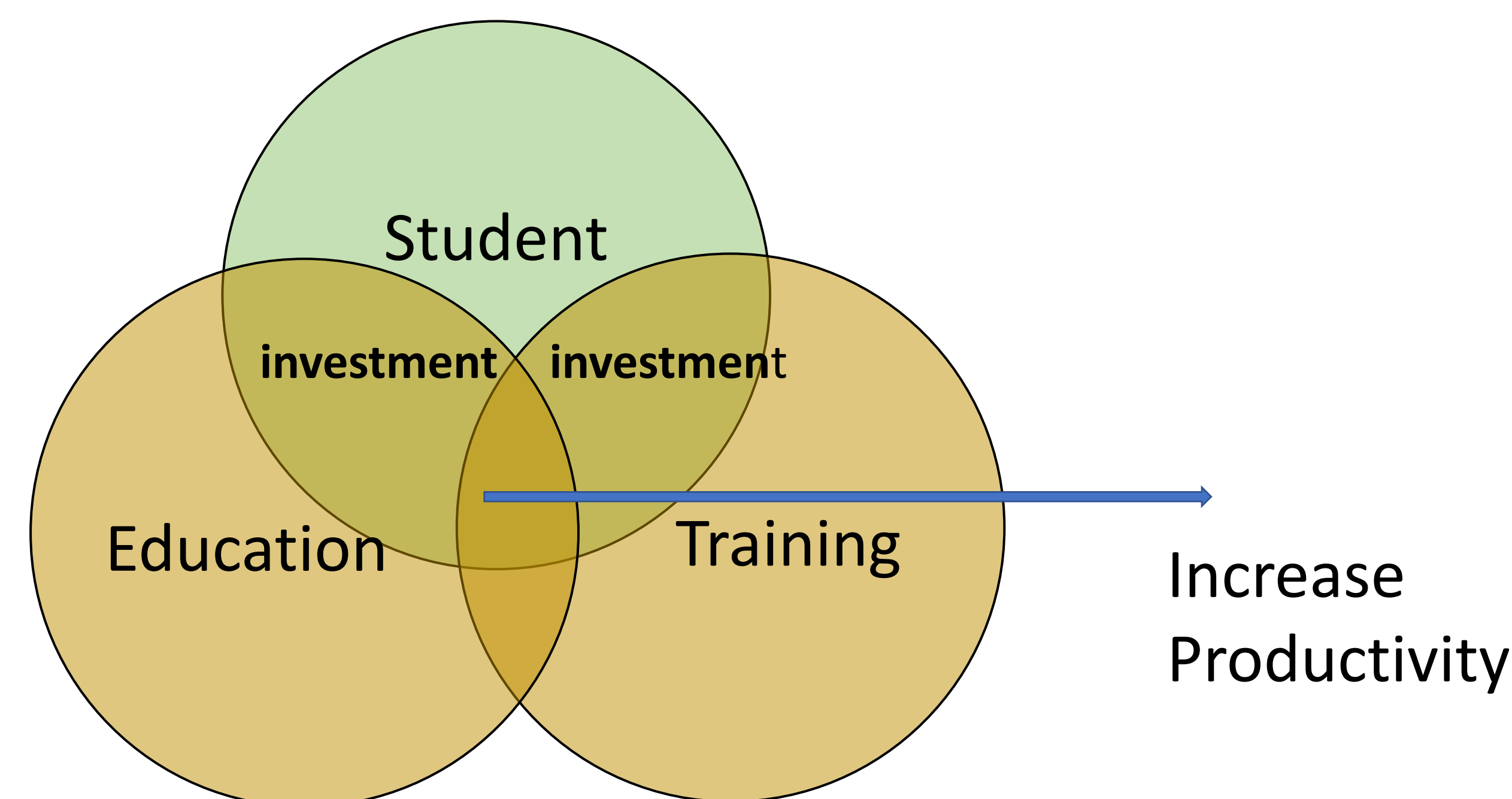
\*Totals as of each year's fourth fiscal quarter  
Source: U.S. Federal Reserve Data

## Purpose of Research

- This case study is aimed at understanding financing strategies that low-income undergraduate students can utilize to navigate through their postsecondary education debt-free.

## Theoretical Framework

- Human Capital Theory
  - Becker (2009) points out that investing in education will increase productivity in return



- Rational Choice Theory
  - Schechter (2016) explains that people usually apply rational calculations to make decisions that are rational, and the outcomes of rational decisions bring benefits to them
  - Lack of financial aid literacy contributes to students making irrational decisions

## Literature Review

- Reasons that lead low-income undergraduate students to take student loans.
  - Insufficient parental financial support , Lack of financial literacy, and attending expensive colleges and universities
- Reasons why students choose not to take out loans
  - Risk Aversion, family history, and due to cultural reasons.

## Methods

- Research Method - Qualitative research approach; involving UND as the area of my case study
- Sampling Method - randomly select 12 participants
- Data collection Method - 30-45 minutes semi-structured interviews & audio recordings.

## Future work

- To recruit a maximum of 12 participants (low-income undergraduate students in their senior level at UND who have no student loans or the ones who will graduate debt free)
- Conduct 30-45 minutes semi-structured interviews on each participant
- Make an analysis of the data collected

## Significance of the Study

- The research will provide insight to the financial aid advisors on how well to advise undergraduate students in colleges and universities on what strategies to utilize to finance their post-secondary education and be able to graduate debt free.
- But on the other side, this study will benefit low-income students in their financial decisions on how to finance their post-secondary education to graduate debt-free .

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