

***The Price of University: economic
capital and the experience of
underrepresented students in an
elite US university***

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\$110,480



- Nearly $\frac{3}{4}$ of Americans take out student loans

- More than 60% of the total US population have some experience in higher education (including community colleges)

- Population with a university degree about 28% (The Pell Institute, 2015).



Overview of the financial aid structure

- The Federal Aid Program in Department of Education
- Authorized under under *Title IV* of the *Higher Education Act of 1965*
- Provides more than \$150 billion in grants, work-study funds, and loans (Federal Student Aid, 2015a).
- 15 million students supported annually (US DoE, 2014).
- Need-based
- Some institutions can discount their tuition up to 30% in order to attract particular students (Allen *et al.*, 2005)

Federal Perkins Loans	For undergraduate and postgraduate students with exceptional financial need; must be repaid to school that made the loan; 5% interest rate.	
Direct Subsidized Loans	For undergraduate students who have financial need; U.S. Department of Education pays interest while borrower is at university and during grace and deferment periods; student must be at least half time; 4.66% interest rate for loans first disbursed on or after July 1, 2014, and before July 1, 2015.	Up to \$5,500
Direct Unsubsidized Loans	For undergraduate and postgraduate students; borrower is responsible for all interest; student must be at least half-time; financial need is not required; 4.66% (undergraduate) and 6.21% (graduate or professional) interest rates for loans first disbursed on or after July 1, 2014, and before July 1, 2015.	Up to \$20,500 (less any subsidized amount received for the same period)
Direct PLUS Loans	For parents of dependent undergraduate students and for postgraduate or professional students; borrower is responsible for all interest; student must be enrolled at least half time; financial need is not required; 7.21% interest rate for loans first disbursed on or after July 1, 2014, and before July 1, 2015.	

Federal Work-Study	For undergraduate and postgraduate students; jobs can be on campus or off campus; students are paid at least federal minimum wage; funds depend on availability at university.	
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Programme	Eligibility and programme details	Award amounts
Federal Pell Grant	For undergraduates with financial need who have not earned bachelor's or professional degrees; a student can receive a Pell Grant for no more than 12 semesters or the equivalent (roughly six years).	
Federal Supplemental Educational Opportunity Grant (FSEOG)	For undergraduates with exceptional financial need; Pell Grant recipients take priority; funds depend on availability at university.	Up to \$4,000
Teacher Education Assistance for College and Higher Education (TEACH) Grant	For undergraduate and postgraduate students who plan to become teachers; recipient must sign Agreement to Serve stating he or she will teach full-time in a high-need field for four complete academic years and serve children from low-income families.	
Iraq and Afghanistan Service Grant	For students who are not Pell-eligible, whose parent or guardian died as a result of military service in Iraq or Afghanistan after the events of 9/11; and who, at the time of the parent's or guardian's death, were less than 24 years old or were enrolled at least part-time at an institution of higher education.	

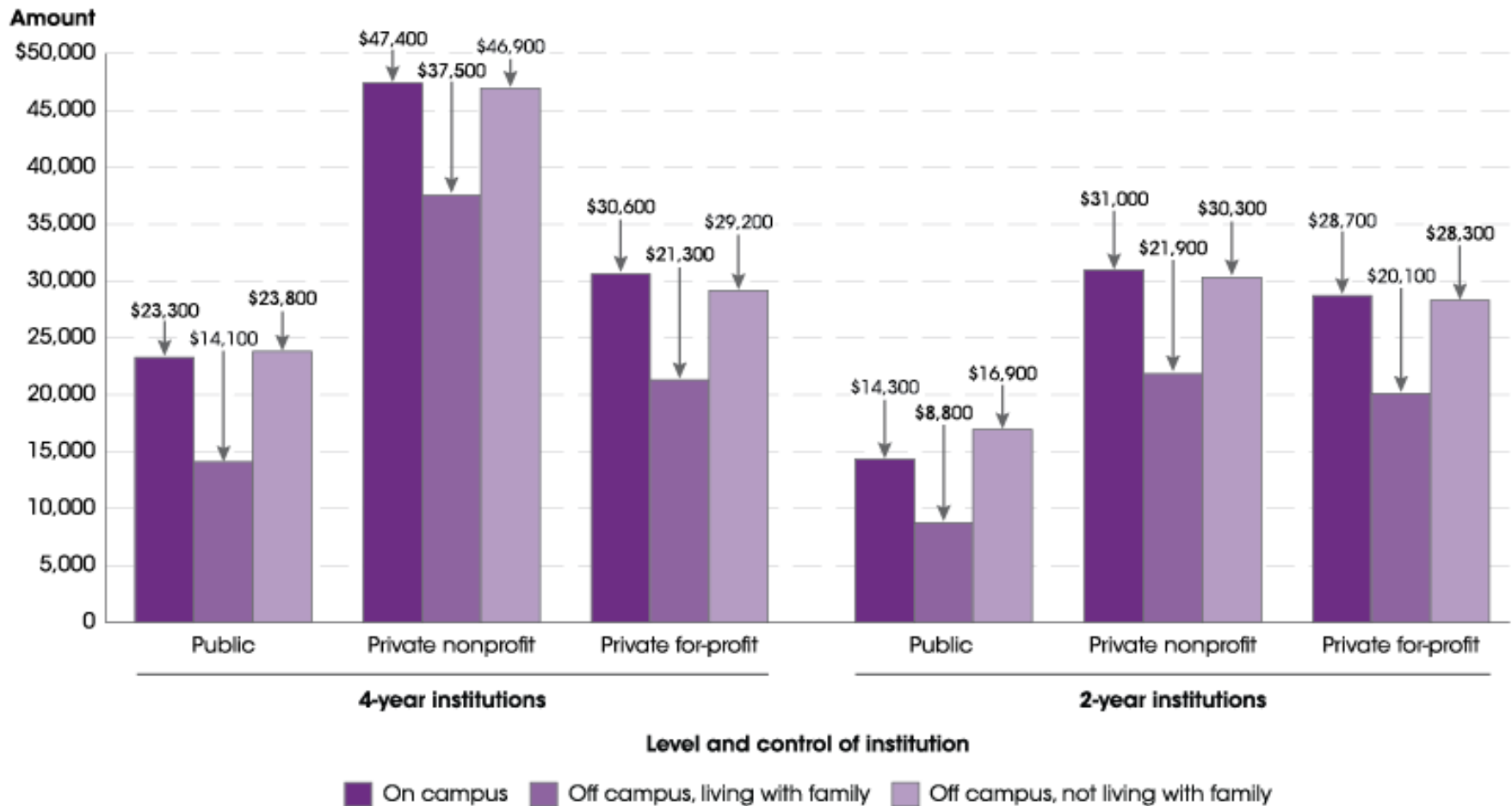
(Source: US Department of Education, 2014)



The cost of higher education

- The burden of paying fees has largely belonged to the individual and the state.
- Educational costs are just as stratified as the institutions accepting the fees.
- 6-8 different methods of repayment (most automatically enrolled in 10 year repayment plan)

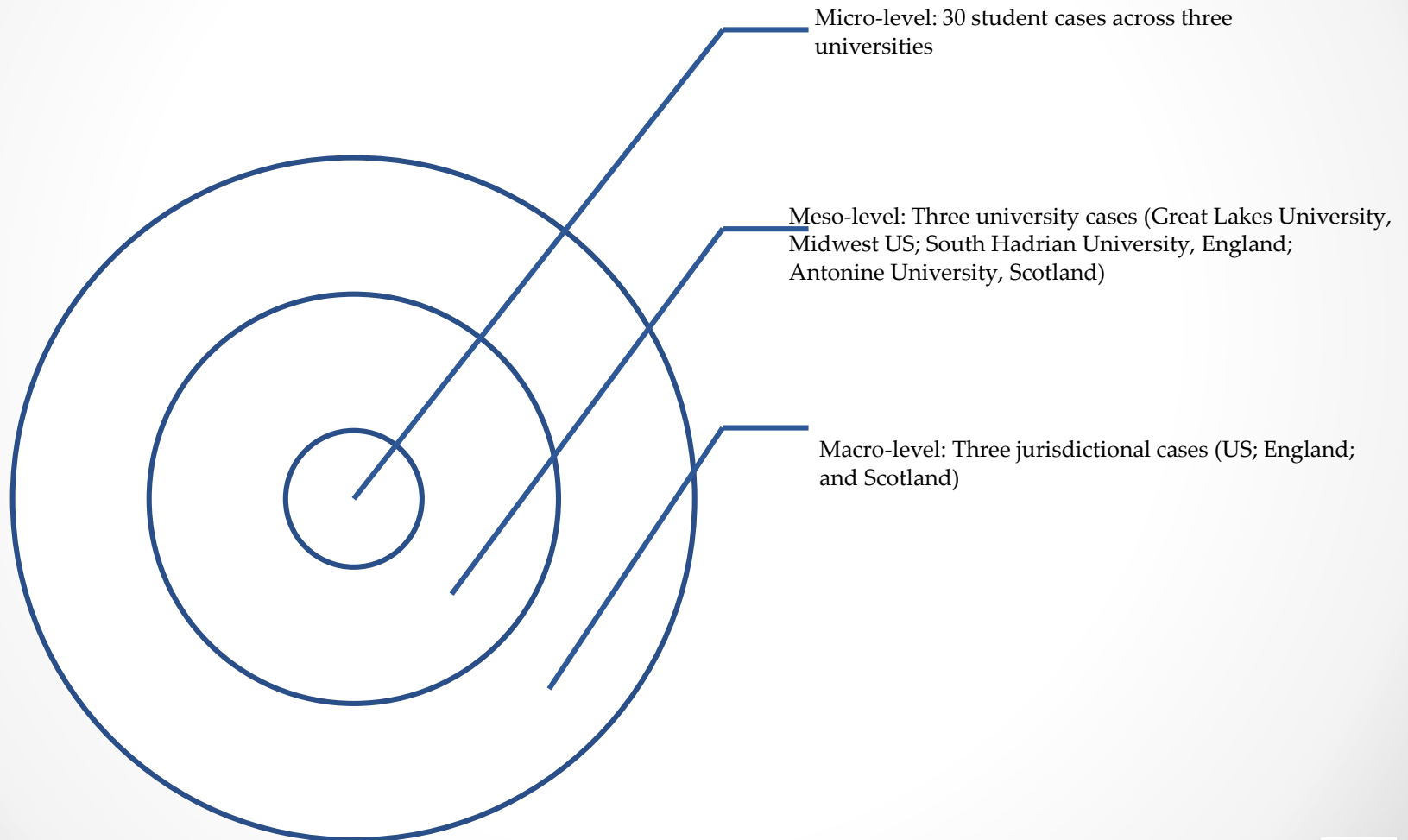
Price of attending an undergraduate institution



The student experience: methods

- International comparative nested case study
- Qualitative & driven by student voice
- 30 student, 3 elite universities (Great Lakes University, South Hadrian University, and Antonine University), 3 jurisdictions
- Considered: economic, social, and cultural capital.

Nested case study



I'm thinking about money the whole day, every day, when [I] wake up, when [I] go to sleep ... In class ... I find myself while taking notes doing math calculations [on the side of my notebook] [to] figure out how much I can spend ... adding in rent and food and all these things. I am like 'what I am left with and how much do I need to make up?'

(Jessica, 21, Mexican)

Impact of family economic capital

I floated from friends' houses ... I had suitcases ... so I kinda needed to wash my clothes and stuff like that. I figured it out. I guess... and like everyone in my family are like ministers and stuff like that and they still go in front of the congregation in front of the mass and like they put on this cloak, this face, that everything is okay, so I didn't want to be the one who ruins it and be like ... we're homeless! (Brandon, 20, African American).

University 'prices'

The prices around [the university] tells you what socioeconomic class are accepted here. 'cause if you cannot afford the food at the [student] market, then you cannot shop there.

Automatically, you are excluded. And [in] the deli, a sandwich is \$5.00. That tells you who is welcome here and who is not (Jessica, 21, Mexican).

Attitudes to debt

- Approximately 73% of state-domiciled residents (including both majority and underrepresented students) graduated from the Great Lakes System in 2014 with loan debt averaging \$29,219 ([Great Lakes System], 2014b, p. 6).
- Debt anxiety among interviewees was very high

Student employment

They were looking for somebody [to work the] really weird shift. It's when Saturday turns into Sunday and, Sunday turns into Monday. It's kinda really quiet and has a lot of down time, but I get to do homework (Kayla, 23, Black/White American)

It's basically like me paying for them to live ... the job is not really for me. It's for everyone else, so that is why my [academic] advisors are kinda like 'you need to cut them off from funding', but if I honestly cut them off, I could be a 4.0 student. I spend a lot of time at work. Yesterday, I was there from 9am-11pm (Brandon, 20, African American).

Conclusions

- Cost of HE did not prohibit underrepresented students from attending university
- Students who lacked accessible economic capital were unable to participate in social events.
 - Caused feelings of exclusion
- Students who were most debt averse reported the least amount of debt.
 - Some worked nearly full-time or strictly managed their income.